

FINISHING THE WORK OF GOLDWATER-NICHOLS:
EVALUATING THE USE OF INDEPENDENT SERVICE ACQUISITION SYSTEMS
TO SUPPORT THE JOINT WAR FIGHTER

BY
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The undersigned certify that this thesis meets masters-level standards of research, argumentation, and expression.

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DISCLAIMER

The conclusions and opinions expressed in this document are those of the author. They do not reflect the official position of the US Government, Department of Defense, the United States Air Force, or Air University.

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ABSTRACT

This paper analyzes the problems inherent in the Defense Acquisition System as indicated in a sample of six studies conducted between 1986 and 2007. It explores the major legislation that developed the system since 1947 and identifies how much of this legislation served to complicate the system. Rather than fix its problems, this complexity served to thwart repeated attempts at centralization. Next, this paper evaluates two types of alternative acquisition structures developed by Congress and the department to compensate for inefficiencies in the core system: rapid acquisition processes and the granting of service-like acquisition authority to the United States Special Operations Command. It identifies the shift toward joint operations that exacerbates existing inefficiencies in defense acquisition, demonstrating a need to alter fundamentally the current structure. The final section proposes that Congress and the Department of Defense alter the Defense Acquisition System from a service-centric, domain-based focus to a streamlined, joint, capabilities-based construct that consolidates responsibility for requirements, resources, and acquisition. This consolidation of authority will align the acquisition system closer to the warfighter and provide the increased accountability lacking in the current structure.

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Introduction

Cost overruns, reductions in procurement quantities, and failures to meet performance and delivery schedules frequently plague both historic and recent defense acquisition programs. Limited resources, inter-service rivalries, inconsistent requirements forecasts, and debates over roles and missions exacerbate these problems. These acquisition troubles have spared no military service. For example, the Under Secretary of Defense for Acquisition, Technology and Logistics recently assumed responsibility for the Air Force's next generation tanker competition after the Government Accountability Office (GAO)¹ criticized the service for its handling of the acquisition process.

Acquisition shortfalls such as these directly affect the strategic capabilities of American military power; the process' ultimate customer, the joint war fighter, suffers when having to put its products to use in combat. This thesis seeks to determine whether the existing Defense Acquisition System, structured around independent service acquisition processes for major weapon systems, can meet future needs in a joint operating environment or whether it is time for a major restructuring. In the course of evaluating this primary research question, the paper will analyze why individual services procure major weapon systems; evaluate historical critiques of acquisition processes to determine persistent trends and the feasibility of recommended correctives; analyze the emergence of

¹ Effective July 7, 2004, the GAO Human Capital Reform Act of 2004 changed the GAO's name from General Accounting Office to Government Accountability Office. This paper uses the acronym GAO to refer to both names throughout.

non-traditional acquisition processes as localized fixes; and consider the joint development and procurement of capabilities intended for joint employment.

The study begins by reviewing three periods of legislation that shaped today's Defense Acquisition System: the early period, the mid-eighties, and post Goldwater-Nichols. Within these periods, three major legislative acts shaped the defense department's acquisition structure and organization: the National Security Act of 1947, the Armed Services Procurement Act of 1947 and the Goldwater-Nichols Act of 1986. This paper reviews the impact these acts and others, from each period, had on the development of the Defense Acquisition System. After reviewing the legislation, it seeks to identify the problems that plague the Defense Acquisition System.

The study evaluates problems with today's system by reviewing issues identified in a sampling of major acquisition-reform studies spanning 21 years. It analyzes six studies, or groups of studies where appropriate, selected as representatives from the more than 130 studies conducted since 1947. The selected studies focused on the broader Defense Acquisition System, not on just one of the individual process areas. While some of the studies limited the functions they assessed, they still assessed those particular functions in the context of the broader system. This paper highlights recurring themes found within these studies. It analyzes the problems and recommendations identified as well as the reasons for their persistence.

After problem identification, the paper reviews two non-traditional acquisition structures, rapid acquisition processes and combatant command acquisition authority, implemented to solve problems within the traditional Defense Acquisition System. Finally, the paper recommends an alternative

Defense Acquisition System based partly on the recommendations of previous studies and these alternative structures. This paper provides recommendations in light of the current trend toward the development and acquisition of joint capabilities.

Background and Significance of the Problem

The national security community has frequently attempted to tackle the challenge of defense acquisition. Their reports tend to repeat the same story line with merely a change in names and dates. In June 2005, for a recent example, Deputy Secretary of Defense Gordon England ordered “an integrated acquisition assessment to consider every aspect of acquisition, including requirements, organization, legal foundations (like Goldwater-Nichols), decision methodology, oversight, checks and balances,” to get a handle on the years of recurring DoD acquisition troubles.² He appointed the Defense Acquisition Performance Assessment (DAPA) panel and wanted them to recommend a new acquisition structure and new processes -- changes he felt were essential to break the cycle of acquisition problems. The objectives of Deputy Secretary England’s assessment panel were not new in any way. He merely initiated the most recent assessment of the department’s acquisition system; approximately 130 different government-directed studies, reports, and assessments have analyzed acquisition problems and suggested solutions since 1947.³ However, the DAPA panel’s study was the most comprehensive of these efforts in recent years, incorporating a broad perspective on what functions to include within

² Department of Defense, *A Report by the Assessment Panel of the Defense Acquisition Performance Assessment for the Deputy Secretary of Defense* (Washington, DC: January 2006), v.

³ Steve Vogel, “Hill Panel to Begin Review of Defense Acquisition System” *Washington Post*, 9 Mar 2009, http://www.twp.com/detail.jsp?key=359870&rc=loop_po&p=1&all=1 (accessed 28 Mar 2009).

acquisition. The panel released its final report in January of 2006.

Unfortunately, despite using such a holistic approach, the assessment panel could not break free from the curse that has plagued all previous reform initiatives.

Over three years after the publishing of this recent report's findings and comprehensive recommendations, the DoD's acquisition efforts are still embroiled in controversy. Since 2000 the GAO has published an annual report titled, *Defense Acquisitions: Assessments of Selected Weapon Programs*, documenting its recent assessment of DoD weapon system acquisition. According to the GAO's 2008 report, DoD's 95 current major weapons system acquisition programs collectively exceeded their original budgets by approximately \$300 billion dollars through 2007. For those programs recently completed, the GAO reported that they delivered their systems to the war fighter an average of 21 months late. The House Committee on Oversight and Government Reform, reviewing the GAO's assessments, noted that the defense department's cost overruns and delivery delays were considerably higher than in previous years' studies.⁴

With an average of two studies per year over the last sixty-three years, a considerable number of problems plaguing current major weapon system acquisition programs, and three years since this last major study, it is time for another significant government study of the Defense Acquisition System. In March 2009, Representative Ike Skelton, Chairman of the House Armed Services Committee, directed the formation of a seven-person special

⁴ Committee on Oversight and Government Reform Webpage "Committee Holds Hearing on Defense Department Acquisitions Tuesday, April 29, 2008," <http://oversight.house.gov/story.asp?ID=1913> (accessed 28 Mar 2009).

Congressional Panel to meet for six months to a year to find the underlying causes of the failures in the Defense Acquisition System and to recommend how to fix them.⁵ This was in response to the president's order for a government-wide review of contracting procedures a week earlier. According to Steve Vogel of the Washington Post, "the panel's mandate includes studying how to evaluate the performance and value of weapons systems, the administrative and cultural pressures that lead to poor outcomes, and the recommendations made by previous studies."⁶ These objectives are not significantly different from those of the many previous studies and reports this special Congressional panel will review over the next six months. Additionally, this latest panel will also evaluate the impact of Congress' role in the defense acquisition process. This could be significant because reform initiatives that focus solely on the DoD address only part of the problem and usually neglect significant aspects of the resources process. There is a slight contextual change that accompanies this newest review and highlights the resources process. Unlike previous studies, the additional pressure of the current economic crisis drives this panel, a condition identified as a potential problem by some of the previous studies.

The investment in individual weapons systems represents one of the largest discretionary items in the DoD's budget.⁷ The DoD currently plans to spend almost \$900 billion on development and procurement during the five-year period from 2009 to 2013. Major weapon systems acquisition programs

⁵ Vogel, "Hill Panel to Begin Review."

⁶ Vogel, "Hill Panel to Begin Review."

⁷ Government Accountability Office, *Defense Acquisitions: Results of Annual Assessment of DoD Weapon Programs*, GAO-08-674T, (Washington, DC: Government Accountability Office, 29 Apr 2008), 1.

represent over a third of that funding.⁸ With Congress incurring significant additional budget outlays through economic stimulus packages and bailouts, it is doubtful that programs that recently exceeded their budgets by a collective \$300 billion will be able to continue this trend.

Limitations

This thesis focuses on only six representative studies conducted since the Goldwater-Nichols Defense Reorganization Act of 1986 because the existing literature on defense acquisition is so extensive. It uses this starting point because the act represents the last significant organizational overhaul of the Department of Defense. Although it consults earlier reports and studies, this thesis does not analyze or address them in detail. The studies' authors conducted their reviews at various levels of government and as members of a variety of agencies, each constrained by their own unique perspectives and organizational or political biases. With respect to the policies that created the structure of today's Defense Acquisition System, this paper evaluates the implementation of significant laws and policies since the National Security Act of 1947. The selected acts however represent only a few of the hundreds of legislative changes actually implemented since that time.

Acquisition Background

Before going any further, defining a few key terms will provide a common reference for understanding this paper. The Defense Acquisition System consists of three main interdependent components: the requirements, resources, and acquisition processes. Collectively, the three processes are

⁸ Government Accountability Office, *Defense Acquisitions: Results of Annual Assessment of DoD Weapon Programs*, GAO-08-674T, 1.

frequently referred to as “big A” acquisition to distinguish them from the narrower scope of the acquisition process associated with just procurement.

The war fighting community expresses its needs and desires for new military capabilities through the requirements process. The Joint Requirements Oversight Council (JROC), chaired by the Vice Chairman of the Joint Chiefs of Staff, validates all military requirements through the current Joint Capabilities Integration and Development System (JCIDS). JCIDS, which replaced the Requirements Generation System in 2003, assists the JROC in processing military capability needs, or requirements, but it is not constrained by resources. The process intends to manage requirements holistically across the DoD by articulating and prioritizing war fighter needs and identifying potential solutions.⁹

The defense department’s resource process, known as the Planning, Programming, Budgeting and Execution System (PPBES), establishes the strategy, policy and goals used to aid resource-allocation decisions.¹⁰ It includes the development of the Strategic Planning Guidance and the Joint Planning Guidance, which lead to the development of the Program Objective Memorandum (POM) and the Program Decision Memorandum (PDM). It also includes the programming and budgeting efforts that produce the Program Budget Decision document, which is a part of the President’s Budget request to

⁹ Government Accountability Office, *Defense Acquisitions: An Analysis of the Special Operations Command’s Management of Weapons System Programs*, GAO 07-620, (Washington, DC: Government Accountability Office, June 2007), 32.

¹⁰ Bernard J. Gruber, “Streamlining the Acquisition Process: A Strategic View on Behalf of the Warfighter” (PhD diss., Air Force Fellows, College of Aerospace Doctrine, Research and Education, Air University, March 2007), 7.

Congress. The execution portion of the resource process monitors military spending against the budget allocations approved by Congress.¹¹

The acquisition process within the broader Defense Acquisition System, frequently referred to as little “a” acquisition, includes all of the rules and procedures governing the research, development, testing, and procurement of specific weapon systems and the management of these programs. This process, captured within Department of Defense Directive 5000.01, *The Defense Acquisition System*, is supposed to translate validated military requirements into quality products and services in a timely manner and at a fair and reasonable price to improve operational capabilities.¹² When most people discuss defense acquisition, they tend to focus upon this process rather than the holistic process that includes resources and requirements.

Preview of the Argument

The Defense Acquisition System currently does not develop and field reliable military capabilities in a timely and/or cost effective manner. Major problems remain after 63 years, 130 reports, and numerous incremental and piecemeal modifications. At the most general level, these problems produce excessive cost overruns, significant schedule delays, and weapons systems that do not satisfy the needs of operational military forces.

This paper searches for methods to address this broken system. It highlights major recurring problems with the acquisition system, evaluates some non-traditional processes used to achieve more successful results, and proposes a radical redesign of the Defense Acquisition System. It reviews the laws that shaped today’s Defense Acquisition System and analyzes the results

¹¹ Gruber, “Streamlining the Acquisition Process,” 8.

¹² Department of Defense, *Defense Acquisition Performance Assessment Report*, 4.

of six major studies since the Goldwater-Nichols Act of 1986 significantly reorganized the Defense Department. The proposed redesign would substantially alter the authority and responsibility of many defense organizations to align with the joint nature of operational military forces emphasized following Goldwater-Nichols. This broad system-level proposal does not delve too deeply into the specifics of the three major processes that make up the Defense Acquisition System: requirements, resources, and acquisition.

Several significant acquisition studies, dating all the way back to 1947, have tied many of the problems of the Defense Acquisition System directly to the service-centric nature of the processes involved. However, many of these same reports have held as inviolate the principle of independent service authority in the acquisition of major weapon systems. In some instances, this inviolate principle of independent service authority manifests itself as a glaring contradiction to the reports' very findings. These limits have considerably restrained the scale of reform achievable despite their numerous calls for sweeping changes. The primary concern that drives this behavior appears to be the potential loss of service identity and relevance. The services view their budget authority as a measure of their power and relevance. Transferring responsibility and budget authority for weapons programs away from the services could be a huge blow to their self-worth.

The defense budget process is culpable in another manner as well. The very structure of the budgeting system used by Congress generates tremendous instability in the Defense Acquisition System. This instability drives numerous behaviors that collectively have a substantial negative impact on programs.

Therefore, Congress and the DoD must cooperate to resolve the many long standing problems that plague the Defense Acquisition System.

Chapter 1

Shaping the Defense Acquisition System: Laws and Studies

This chapter introduces the major legislation that shaped the Defense Acquisition System, analyzing significant Congressional action from 1947 through 1996. After establishing this legal foundation, it introduces six post-Goldwater-Nichols acquisition studies selected for their holistic evaluation of the system. While these legal reforms and studies overlap, this thesis treats them separately, since the legislation built the system and the studies diagnosed it. The next chapter provides the analysis of these studies' findings and recommendations.

Legislation Framing Today's Acquisition Processes

Although the Defense Acquisition System is currently broken, its framers did not intend to build a dysfunctional system. The War and Navy Departments offered their independent acquisition methods to the newly formed Department of Defense as the basis for the current system. These methods saw great success during World War II, but that success was a result of Congress' inattention toward access and accountability rather than a result of efficient processes for acquiring weapon systems.¹ These independent methods developed in an environment of competition for limited resources where each service developed methods that helped them internally allocate resources. It

¹ Thomas L. McNaugher, *New Weapons Old Politics: America's Military Procurement Muddle* (Washington, DC: The Brookings Institution, 1989), 17.

also came at a time when “interservice rivalry was at its most vicious.”²

Individual services competing for limited resources tended to emphasize their own desires over the needs of the joint war fighter or the military as a whole.

This attitude became a hallmark of the Defense Acquisition System.

These borrowed methods gave birth to a Defense Acquisition System that matured in the environment of the Cold War. There have been numerous superficial changes to the Defense Acquisition System since its inception, but the core structure remained consistent through the years. This chapter analyzes a few of the noteworthy laws that created the current system. These laws set up a framework in which individual services develop and purchase major weapons systems as part of their organizing, training and equipping responsibilities. A complete list of all of the individual laws that shaped the Defense Acquisition System would be prohibitively exhaustive. Therefore, the following section details a sampling of the major legislation divided into three periods. Three acts represent a period of early legislation prior to 1986: the National Security Act of 1947, the Armed Services Procurement Act of 1947, and the Department of Defense Reorganization Act of 1958. These laws are largely responsible for providing the system we have today. The Goldwater-Nichols Act of 1986 marked a significant milestone in the history of the Defense Acquisition System and makes up the second period. Its importance resided not in changes to the actual Defense Acquisition System, but rather in a drastic change to the environment in which the system operated. It widened the fissure between the independent service-dominated Defense Acquisition System and the significant move towards joint employment of weapons systems. The

² McNaugher, *New Weapons Old Politics*, 39.

remaining acts detailed below, the Defense Acquisition Workforce Improvement Act of 1990, the Federal Acquisition Streamlining of 1994, and the Federal Acquisition Reform Act of 1996, represent the third period and characterize the government's efforts to mend the Defense Acquisition System by streamlining and simplifying the acquisition process.

EARLY LEGISLATION

National Security Act of 1947

After World War II, the nation's military strength existed within organizations defined along service lines. Congress passed the National Security Act of 1947 to restructure this relationship and strengthen national security through increased integration. The act promoted "national security by providing for a Secretary of Defense; for a National Military Establishment; for a Department of the Army, a Department of the Navy, and a Department of the Air Force; and for the coordination of the activities of the National Military Establishment with other departments and agencies of the Government concerned with the national security."³ In reality, the act loosely unified the armed services into the National Military Establishment under a Secretary of Defense with little authority. It also legally recognized the Joint Chiefs of Staff, laying the groundwork for future attempts to make the requirements portion of the Defense Acquisition System joint. This restructuring touched all aspects of defense including the acquisition of major weapons systems.

With respect to acquisition, Congress enacted the National Security Act of 1947 to consolidate and unify the acquisition activities of the services as

³ *National Security Act of 1947*, Chapter 343; 61 Statute 496; (26 July 1947), sec. 1

much as possible.⁴ The act marked the beginning of a period of Congress' desire to centralize the Defense Acquisition System. It specifically identified four acquisition-related responsibilities of the Munitions Board. These were "to coordinate the procurement plans of the National Military Establishments' departments and agencies, recommend assignments of procurement responsibilities among the several military services, plan for standardization of specifications and the allocation of purchase authority on a single procurement basis, and to perform a variety of controls in procurement matters."⁵ This was the primary section of the act dealing with acquisition.

The next step toward centralization affected the services' control over resources. Congress amended the National Security Act in 1949 to give the Secretary of Defense increased authority over the services. It established comptrollers in both the DoD and the services, and directed the adoption of program or functional budgets. These functional budgets effectively eliminated the traditional individual budgets of the services' bureaus and technical organizations.

The Armed Services Procurement Act of 1947

The Armed Service Procurement Act (ASPA) of 1947 also moved to centralize acquisition. It consolidated procurement rules for all of the services into a single location by creating the Armed Services Procurement Regulation, the predecessor to today's Federal Acquisition Regulation. The ASPA eliminated many obsolete laws as well as modified those that were inconsistent between the different military departments. This act also began the tradition of using

⁴ Edwin L. Williams, Jr., *Legislative History of the AAF and USAF, 1941-1951*, USAF Historical Study No. 84 (Maxwell AFB, AL: USAF Historical Division, Air University, 1955), 95.

⁵ Williams, *Legislative History of the AAF and USAF*, 95.

the Defense Acquisition System to pursue secondary policy goals at the expense of system efficiency and effectiveness. Congress directed the national military establishment, through the act, to increase the award of defense contracts to small businesses, particularly in the area of supplies and services.⁶

The ASPA attempted to capitalize on acquisition lessons learned from each of the services' independent efforts during World War II by laying out the methods the national military establishment should follow in acquiring systems. At the same time, the act retained enough flexibility to allow the services to retain significant control. It advocated the armed services' use of the advertising-bid method while still providing for 17 areas of exceptions that enabled procurement via negotiation. Congress provided these exceptions in very specific areas, such as for classified programs.⁷ The act was an early attempt to create a Defense Acquisition System through the consolidation of processes, specifying contract types available for use, and reiterating the rules governing advertising and contract awards.

The Department of Defense Reorganization Act of 1958

The Department of Defense Reorganization Act of 1958 amended the National Security Act of 1947 and Title 10 of the United States Code to integrate fully the national security policies and procedures of the departments, agencies, and functions of the US government. A number of these amendments proved to have significant consequences on the Defense Acquisition System to this day. Stated objectives of the act included the elimination of unnecessary duplication-especially with respect to research and engineering efforts; more economical,

⁶ Williams, *Legislative History of the AAF and USAF*, 95.

⁷ Williams, *Legislative History of the AAF and USAF*, 95.

efficient, and effective administration within the DoD; and the establishment and integration of unified or specified combatant commands (COCOMs).^{8 9}

The Defense Reorganization Act of 1958 strengthened the role of the secretary of defense to include his influence over the Defense Acquisition System. Generally, this increase in strength included the ability to transfer, realign, eliminate, or consolidate functions as necessary to remove duplication and increase administrative and economic effectiveness and efficiency. However, it also granted certain powers to the secretary of defense that had a direct impact on the acquisition system. The act specifically authorized the secretary of defense to consolidate the responsibility for any supply or service activities common to more than one of the services into a single agency or other organizational entity as necessary.¹⁰ While doing so, Congress explicitly made a point to declare there would not be a single armed forces chief of staff or an overall general staff. By empowering the secretary of defense, Congress clearly expressed its desire for strong civilian control of the unified national military establishment over the alternative of a strong military command structure as the loose unification initiated after 1947 began to coalesce.

While the act strengthened the role of the secretary of defense, it also reinforced service control over their assigned responsibilities. For example, the

⁸ Unified Combatant Commands (UCCs) were formerly known as COCOMs (Combatant Commands) until October 24, 2002. The term COCOM is now formally used for the type of authority held by the Combatant Commander (CCDR). CCDRs were formerly referred to as Commanders-In-Chief (CINCs). For consistency, this paper uses the acronym COCOM throughout for unified combatant commands and the term combatant commander to reference the commander. There are two types of unified combatant commands. Six are geographic combatant commands with warfighting responsibilities delegated by geographic area and four are functional combatant commands with responsibilities categorized functionally.

⁹ *Department of Defense Reorganization Act of 1958*, Public Law 85-599, HR 125411, (6 Aug 1958), sec. 2.

¹⁰ *Department of Defense Reorganization Act of 1958*, sec. 3.

act granted the secretary of defense “the authority to assign, or reassign, to one or more of the departments or services, the development and operational use of new weapons or weapons systems.”¹¹ However, the act also effectively provided this authority to the services when it codified the responsibilities associated with the frequently-repeated mantra of organize, train and equip that originated with Executive Order 9877 in 1947. For example, the act amended Section 8082 (b) (1) of title 10, USC to read: “(1) prepare for such employment of the Air Force, and for such recruiting, organizing, supplying, equipping, training, serving, mobilizing, and demobilizing of the Air Force, as will assist in the execution of any power, duty, or function of the Secretary or the Chief of Staff.”¹² It amended the other relative sections of title 10 for each of the respective services with the same wording. The net effect was to counter the very centralization efforts Congress was trying to implement by allowing the services to retain acquisition power.

Another way the act affected the Defense Acquisition System was by streamlining defense research and engineering efforts. Congress established the office of Director of Defense Research and Engineering (DDR&E) to centralize control and eliminate duplication among the services with respect to research and development. The DDR&E was given precedence in the DoD immediately after the service secretaries. The DDR&E would be the secretary of defense’s primary advisor for science and technology efforts, to supervise all of DoD’s research and engineering activities, and to direct and control any of those activities that required centralized management.¹³ These activities included

¹¹ *Department of Defense Reorganization Act of 1958*, sec. 3.

¹² *Department of Defense Reorganization Act of 1958*, sec. 4.

¹³ *Department of Defense Reorganization Act of 1958*, sec. 9.

basic and applied research and development of major weapons systems. Congress again explicitly stated however, that nothing in the provision concerning the establishment of the DDR&E precluded the secretary of defense from, “assigning to the military departments the duty of engaging in research and development of weapons systems necessary to fulfill the combatant functions assigned by law to such military departments.”¹⁴ This provided yet another example of Congress trying to placate both those who wanted more centralization and those who felt acquisition authority needed to reside with the services. The language of the act should have allowed the secretary of defense to carry centralization of the Defense Acquisition System much further than it was, but the political realities of the day and the power and desires of the individual services would allow no more than was accomplished.

The Defense Reorganization Act of 1958 significantly affected the Defense Acquisition System. The establishment of the combatant commands probably had the greatest indirect impact on the effectiveness of the acquisition system, the segregation of responsibility of acquiring weapon systems to the individual services had the greatest unintended impact, and the establishment of the position of director of defense research and engineering had the greatest direct impact.

After the implementation of the Defense Reorganization Act of 1958, the Defense Acquisition System of today had taken shape. The majority of control had ossified within the services, who dictated the requirements process, in addition to the working level of the acquisition process. The DoD achieved a level of control by centralizing some acquisition authorities. Congress

¹⁴ *Department of Defense Reorganization Act of 1958*, sec. 9.

controlled the resources and was poised to increase its oversight involvement in the years ahead. The creation of the COCOMs laid the foundation for future restructuring of the national military establishment and reduced efficiency of the Defense Acquisition System. In effect, the act enabled a paradox: services were to procure the equipment COCOMs would use. Procurement was thus configured to serve three masters: the services, the COCOMs, and American business.

THE CHANGES OF GOLDWATER-NICHOLS

Goldwater-Nichols Department of Defense Reorganization Act of 1986

The fundamental intent of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 was to increase the level of jointness within the DoD by restructuring the organization, training, command structure and employment of the armed forces.¹⁵ The act provided the first significant restructuring of the armed forces in 28 years, and many within the defense establishment opposed it. According to the Beyond Goldwater-Nichols Phase One Report, the act included eight explicit objectives. These were: 1. To strengthen civilian authority of the military; 2. To improve military advice to the President and the National Security Council; 3. To give Combatant Commanders authorities commensurate with their responsibilities; 4. To improve strategy formulation and contingency planning; 5. To use defense resources more efficiently; 6. To improve the management of joint officers; 7. To enhance the effectiveness of military operations; and 8. To improve the

¹⁵ Clark A. Murdock et al., *Beyond Goldwater-Nichols (BG-N): Defense Reform for a New Strategic Era Phase 1 Report*, (Washington, DC: Center for Strategic and International Studies, March 2004), 14.

management and administration of the defense department.¹⁶ Although not explicitly stated, changes in each of these areas had a direct impact on the Defense Acquisition System, most significantly through the strengthening of the COCOMs and the joint nature of operations. By distancing the services' ties to individual operational employment, Goldwater-Nichols increased the gap between those who really controlled the acquisition of systems and those who were at the mercy of their outcomes.

POST GOLDWATER-NICHOLS

Legal requirements governing all aspects of the acquisition system grew tremendously during the 1980s. Congress regulated defense acquisition more closely for four general reasons: the outrageously expensive cost of spare parts for existing weapons systems, instances of criminal activity within defense acquisition, the frequent cost overruns of major programs, and increasing delays in delivering the final product.¹⁷ Congress imposed these legal reforms in a piecemeal fashion, convinced of the merits of each one's specific aim. After a few years however, these changes accumulated into a very complex and inefficient system. This highly-regulated, burdensome environment stifled the initiative and creativity of those working within the Defense Acquisition System. In response, Congress eventually attempted to untangle the web of acquisition regulation it had woven in the 1990s. The following summarizes the impacts of the more significant initiatives.

¹⁶ Murdock et al., *BG-N Phase 1 Report*, 15-17.

¹⁷ General Accounting Office, *Federal Acquisition: Trends, Reforms, and Challenges*, GAO/T-OCG-00-7, (Washington, DC: General Accounting Office, 16 Mar 2000), 8.

Defense Acquisition Workforce Improvement Act

The Defense Acquisition Workforce Improvement Act (DAWIA) of 1990, codified in Chapter 87 of Title 10 of the US Code, placed the focus of defense acquisition reform on the acquisition professional. Congress intended the act to “improve the effectiveness of the personnel who manage and implement defense acquisition programs.”¹⁸ The act established an Acquisition Corps and increased opportunities for the education, training, and work experience of the acquisition workforce. It applied to both military and civilian acquisition professionals although it emphasized civilian career development opportunities since they dominated the workforce. Congress has amended the DAWIA several times since its initial implementation, with the most significant changes occurring in 2003.

Congress used DAWIA as the primary method of reform of the acquisition workforce. At the same time, it represents a major focus of all Congressional acquisition reform efforts over the last 20 years, and not just for their focus on personnel. The individual services and agencies within the DoD have complied with the law in general, but differed in their specific approaches to implementing DAWIA initiatives. Differences in implementation tend to arise around areas such as acquisition corps membership criteria, functional, organizational and geographic mobility requirements for civilians, and use of centralized job-referral systems.¹⁹ These and other differences between individual service and agency approaches to acquisition proved to be significant as Congress intended to both increase and standardize the quality of the

¹⁸ Andrea Garcia, et al, “The Defense Acquisition Workforce Improvement Act: Five Years Later,” *Acquisition Review Quarterly*, 4, no. 3 (Summer 1997): 295.

¹⁹ Garcia, et al, “The Defense Acquisition Workforce Improvement Act,” 296-297.

defense acquisition workforce. Arguably, neither of these objectives has been substantially met.

Federal Acquisition Streamlining Act of 1994

The Federal Acquisition Streamlining Act of 1994 (FASA) streamlined existing statutes, revised over 225 rules, implemented a variety of initiatives to encourage federal agencies to use current commercial business practices, and simplified government procurement of supplies and services.²⁰ These changes touched a very wide range of acquisition functions. Additionally, FASA simplified the acquisition rules for lower-value procurements, streamlined the bid-protest process, and created consolidated federal procurement statutes. For the DoD in particular, FASA promoted the use of performance-based contracting and the use of acquisition reform pilot programs.^{21 22} These changes tried to provide incentives for contractors to improve performance and decrease costs by encouraging innovation and efficiency.

Federal Acquisition Reform Act of 1996

The Federal Acquisition Reform Act of 1996, also known as the Clinger-Cohen Act when coupled with the Information Technology Management Reform Act, built upon FASA's initiatives to further reform the Defense Acquisition System. The act required the use of full and open competition in defense acquisition and streamlined the associated procedures. It encouraged the

²⁰ Valerie Bailey Grasso, *Defense Acquisition Reform: Status and Current Issues*, Congressional Research Service Report IB96022 (Washington, DC: Congressional Research Service, May 2003), 4.

²¹ According to the General Services Administration website, performance-based contracting is "a technique for structuring all aspects of an acquisition around the purpose and outcome desired as opposed to the process by which the work is to be performed." http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA_OVERVIEW&contentId=15922 (accessed 3 June 2009).

²² Grasso, *Defense Acquisition Reform: Status and Current Issues*, 4.

federal government to purchase commercial items by making the process easier through the addition of exemptions for suppliers. The act also introduced a large number of information-technology reforms to federal acquisition.²³ Specifically, the act transitioned authority for procurement from the Government Services Administration to individual government agencies, improved the ability of contracting officers to select contractors efficiently, enabled the acquisition workforce within individual federal agencies to focus on improved execution of their duties, and advocated increased accountability, performance, and results-based decisions in the information technology realm.²⁴ The act centralized information technology procurement through capital investment planning. This planning produced integrated technology frameworks designed to ensure technology is interoperable and procured in accordance with a larger plan.²⁵

This final period of legislative changes to the federal and, subsequently, DoD acquisition systems lowered or abolished many of the regulatory barriers inhibiting efficiency. The Defense Acquisition System however, requires considerably more changes to develop fully a system that truly meets defense acquisition needs. The strongest case of support for this statement lies in the findings and recommendations of the many studies conducted on the system.

Review of Past Acquisition Studies to Define Problems

Six collections of acquisition studies portray the enduring problems of the Defense Acquisition System. These are the President's Blue Ribbon

²³ General Accounting Office, *Federal Acquisition: Trends, Reforms, and Challenges*, GAO/T-OCG-00-7, 18.

²⁴ General Accounting Office, *Federal Acquisition: Trends, Reforms, and Challenges*, GAO/T-OCG-00-7, 11.

²⁵ Department of Education Website, *Policy: Clinger- Cohen Act*, <http://www.ed.gov/policy/gen/leg/cca.html> (accessed 27 May 09).

Commission on Defense Management in 1986 (also known as the Packard Commission); the DoD's Defense Management Review of 1989; a collection of three reports from the Defense Science Board's Acquisition Streamlining Task Force from 1993 to 1996; a collection of three reports from the Beyond Goldwater-Nichols studies conducted from 2004 to 2006; the Defense Acquisition Performance Assessment of 2006; and the Defense Acquisition Structures and Capabilities Review Report of 2007. Each of these studies attempted to repair the broken Defense Acquisition System. The repeated initiation of subsequent studies however indicates the legislative reforms they generated failed to fix the problems they identified.

The Packard Commission Reports

President Ronald Reagan tasked the Blue Ribbon Commission on Defense Management to investigate problems with the current state of defense management and organization in July 1985. The Blue Ribbon Commission, more commonly referred to as the Packard Commission after its Chairman David Packard, generated five reports. Two of these reports, *A Formula for Action: A Report to the President on Defense Acquisition by the President's Blue Ribbon Commission on Defense Management* and *An Interim Report to the President by the President's Blue Ribbon Commission on Defense Management* provide the majority of the commission's findings and recommendations concerning the Defense Acquisition System. Many in the acquisition community recognize the Packard Commission's in-depth analysis as among the most important studies accomplished concerning defense acquisition reform.

President Reagan wanted the Packard Commission to analyze the DoD's acquisition system in an effort to identify potential improvements and recommend actions that would increase product performance, reduce delays, and decrease costs for major weapons systems.²⁶ The commission seemed to place the greatest emphasis on reducing the delays inherent in the acquisition cycle, believing it possible to reduce the average program time by half.²⁷ To achieve its objectives, the commission compared the Defense Acquisition System, other federal government acquisition systems, and commercial procurement systems with respect to programs of similar size, scope and complexity. The commission identified success stories from commercial procurement to translate into "a model of excellence for defense acquisition."²⁸

The commission's holistic approach involved investigating everyone who influenced the Defense Acquisition System from "defense contractors and program managers to OSD officials and Members of Congress."²⁹ Unlike many previous studies, their recommendations were quite comprehensive and touched all aspects of the Defense Acquisition System. The commission's *Interim Report* described in detail the majority of major recommendations and their report titled, *A Formula for Action*, reviewed these recommendations in a broader context. The following chapter analyzes these findings and recommendations.

²⁶ The President's Commission on Defense Management, *A Formula for Action: A Report to the President on Defense Acquisition*, (Washington, DC: April 1986), 1.

²⁷ The President's Commission on Defense Management, *A Formula for Action*, 35.

²⁸ The President's Commission on Defense Management, *A Formula for Action*, 1.

²⁹ The President's Commission on Defense Management, *A Formula for Action*, 4.

Defense Management Review

The Defense Management Review (DMR) report culminated an extensive period of study of the Defense Acquisition System and provided a plan to achieve three objectives detailed by the president. These were to “implement fully the Packard Commission’s recommendations; improve substantially the performance of the defense acquisition system; and manage more effectively the Department of Defense and our defense resources.”³⁰ These objectives called for analysis in four particular areas: personnel and organization, defense planning, acquisition practices and procedures, and accountability within both government and industry.³¹ DoD conducted this review to evaluate how well it had implemented the intent of the Goldwater-Nichols Defense Reorganization Act and the recommendations of the Packard Commission.

The authors of the Defense Management Review report assumed that the broad division of responsibilities among the diverse organizations that made up the Department of Defense provided a strong foundation upon which to construct the changes needed to fix the Defense Acquisition System.³² DMR recommendations focused on strengthening or enhancing the responsibilities of the existing organizations and processes rather than replacing them. The DMR panel’s recommendations sought to ensure the continued strength of the military, decrease both acquisition costs and time while increasing the reliability of newly-acquired weapon systems, promote the highest standards of

³⁰ Department of Defense, *Defense Management Report to the President*, (Washington, DC: Office of the Secretary of Defense, July 1989), i.

³¹ Department of Defense, *Defense Management Report to the President*, 1.

³² Department of Defense, *Defense Management Report to the President*, 3.

integrity and performance in both industry and government, and increase the public's trust in the DoD's stewardship of national resources.³³

Defense Science Board Acquisition Streamlining Task Force

In April 1993, the Under Secretary of Defense for Acquisition requested the Defense Science Board conduct a three-month study to “define the scope and method for proceeding with comprehensive modification to the process by which the Department of Defense acquires goods and services.”³⁴ The Task Force's efforts resulted in a number of reviews of the Defense Acquisition System, conducted in phases over the next several years. The Under Secretary of Defense provided specific terms of reference in the initial phase that included the review of previous reports and studies, a collection of historical examples that portrayed the issues, the request for a “radical change” to the current process, and a review of the relationship between requirements definition and the acquisition process. These terms clearly demonstrated the accurate focus of these study groups at their initiation.

Released in July 1993, the Phase I report of the Defense Science Board Task Force on Defense Acquisition Reform investigated four problem sets within the Defense Acquisition System: the existing barriers to the use of commercial practices, facilities, and equipment; the root causes of excessive costs; problems in the requirements definition process; and the maintenance of public trust. The Defense Science Board (DSB) thought that the Defense Acquisition System should integrate fully with commercial industry. It used this belief as a foundation for analyzing these four problem sets. The DSB focused on

³³ Department of Defense, *Defense Management Report to the President*, 1.

³⁴ Department of Defense, *Report of the Defense Science Board Task Force on Defense Acquisition Reform*, (Washington, DC: Office of the Under Secretary of Defense for Acquisition, July 1993), A-1.

providing recommendations that allowed the Defense Acquisition System to acquire platforms with the right capabilities, at an appropriate cost, and in the amounts needed.³⁵

The DSB released its Phase II report in August 1994. This report built on the objectives and recommendations identified in the Phase I report, further detailing specific commercial industry segments in which to concentrate efforts and requirements definition process changes. The Task Force maintained the same focus on capability, cost, and quantity begun in the Phase I report.

The Phase III report, released in May 1996, focused specifically on the R&D and logistics aspects of the Defense Acquisition System. The task force focused on evaluating the potential of extending commercial best-of-class practices to these functional acquisition areas. In phase III, the task force again reiterated their belief that the current system is “outmoded, too expensive, too lengthy, and should be replaced.”³⁶ The majority of the task force’s problem identification occurred in their first report, however, they provided recommendations throughout all three reports to varying degrees of depth. Additionally, all three DSB reports stressed the need for the COCOMs to become more involved in defining their requirements for the Defense Acquisition System.

Beyond Goldwater-Nichols Reports

The Center for Strategic and International Studies, composed of outside observers, conducted the Beyond Goldwater-Nichols (BG-N) studies. The study

³⁵ Department of Defense, *Defense Science Board Task Force on Defense Acquisition Reform*, i.

³⁶ Department of Defense, *Report of the Defense Science Board Task Force on Defense Acquisition Reform (Phase III): A Streamlined Approach to Weapons Systems Research, Development and Acquisition*, (Washington, DC: Office of the Under Secretary of Defense for Acquisition, May 1996), i.

team followed a problem-centric approach to review previous reform initiatives and, unlike some previous reform efforts, sought feasible recommendations that organizations actually had the capacity to achieve. Several principles limited the scope of the study team's recommendations. Among them was the notion that Congress and the DoD must maintain the institutional vitality of the services. This constrained the team from making recommendations that might weaken the services. Additionally, the team declared from the beginning that the services should continue to organize, manage, and budget resources. Another principle, one that appears to contradict the institutional vitality of the services, was that jointness within DoD needed to extend even further than it already did. However, the study team applied this principle only to the requirements process and command and control systems.

The Phase I report, released in March 2004, evaluated problems and presented recommendations in six areas. For five of these areas: organizational structure of the DoD, resource allocation, civilian workforce, interagency operations, and Congressional oversight, the team's findings were in line with previous studies. With respect to the final area of command and control systems, the study team argued that the acquisition problems were severe enough to warrant removing acquisition authority from the services and consolidating it into a joint organization. This radical recommendation was in direct conflict with a major theme running through the rest of the report. The study team assessed all of these areas relative to the changes introduced by Goldwater-Nichols and the Packard Commission indicating the reforms that followed these earlier efforts did not fix the problems they had identified.

Released in July 2005, the Beyond Goldwater-Nichols Phase II report took a very broad look at the entire US national-security structure focusing on how to improve interagency policy decisions and execution. The task force included acquisition-system-related reform issues within this broad view. Approximately half of the report focused on the DoD with significant portions covering relevant topics such as determining joint capability requirements and acquisition reform. Other findings, including those in the areas of basic management structure of the DoD and the responsibilities of major defense organizations, also offered significant benefit to the analysis of the problems of the Defense Acquisition System.

The BG-N Phase III Report, released in August 2006, concentrated on the early finding that previous reformers had not addressed the Defense Acquisition System as holistically covering requirements, resources, and acquisition. The CSIS study team thought previous studies had concentrated on the subordinate acquisition process at the expense of considering the interrelationships with the requirements and resources processes. The BG-N Phase III study team tackled this challenge by reviewing the recommendations of the Defense Science Board's 2005 Summer Session on Transformation Assessment, the Defense Acquisition Performance Assessment of January 2006, and the 2006 Quadrennial Defense Review report. The report compared and contrasted these studies and recommended fixes to the implementation of previous corrective actions.

Defense Acquisition Performance Assessment 2006

Since Congress and senior defense leaders had lost confidence in the Defense Acquisition System, Deputy Secretary of Defense England ordered a

comprehensive assessment of the entire system. The resulting DAPA panel aimed to develop a comprehensive radical approach to improving it. The panel considered the problems with defense acquisition broad and complex in nature. Like the BG-N Phase III study team, the DAPA panel found many previous studies lacked focus on the entire big “A” Defense Acquisition System. The panel found problems were not isolated just in procurement processes, but rather, frequently stemmed from the fragmented nature of the requirements, resources, and acquisition processes in execution.³⁷

DAPA organized its assessments into the following six categories: organization, workforce, budget, requirements, acquisition, and industry. Acquisition-reform studies traditionally focus their efforts in one or a few of these six independent categories, but rarely in all of them simultaneously. In similar fashion, the DAPA team discovered that actors within each of these six categories often work in an uncoordinated manner when executing the Defense Acquisition System. This results in increased costs and program slips as a result of delays in problem identification. Values and objectives often differ for the organizations that operate within these functional areas. These different perspectives appear at various levels within the DoD.

The recommendations put forth by the DAPA panel constitute sweeping changes to the Defense Acquisition System. As the panel noted however, the problem lies not in identifying what is wrong and how to fix it, but by actually getting Congress and the DoD to implement that particular fix in its entirety.

³⁷ Department of Defense, *Defense Acquisition Performance Assessment Report*, 4.

Defense Acquisition Structures and Capabilities Review Report 2007

Congress, through the Fiscal Year 2006 National Defense Authorization Act (NDAA), initiated the Defense Acquisition Structures and Capabilities Review to focus specifically on acquisition issues associated with organizational structure and the acquisition workforce.³⁸ The Defense Acquisition University (DAU) conducted this internal review under the authority of the Under Secretary of Defense for Acquisition, Technology and Logistics. The study focus areas were determined due to the existing differences in service and agency acquisition organizational structures and the need to evaluate the acquisition workforce after a significant period of change. The review provided the most comprehensive study of the acquisition workforce in the 16 years since the 1991 Defense Acquisition Workforce Improvement Act (DAWIA).³⁹ The FY06 NDAA directed the review team to consider both the structures, capabilities, and processes for joint acquisition, and the actions required to improve them that would yield better acquisition outcomes.⁴⁰

Again, the review team focused on two primary areas: organization and workforce. Organizationally, the DAU identified four changes as the most significant since 1986. These were the establishment of an Under Secretary of Defense for Acquisition, the creation of the Program Executive Office (PEO) structure, the downsizing of acquisition commands previously led by four-star general officers, and making the Under Secretary of the Air Force the DoD

³⁸ Defense Acquisition University, *Defense Acquisition Structures and Capabilities Review Report: Pursuant to Section 814, National Defense Authorization Act, Fiscal Year 2006*, (Fort Belvoir, VA: Defense Acquisition University, June 2007), iii.

³⁹ Defense Acquisition University, *Defense Acquisition Structures and Capabilities Review Report*, iii.

⁴⁰ Defense Acquisition University, *Defense Acquisition Structures and Capabilities Review Report*, B-1.

Executive Agent for space acquisition.⁴¹ These changes provided the foundation for the study's further analysis on organizational structure. The DAU team evaluated the workforce in seven areas: generational divisions, count, experience, education, certification, sustaining capability, and development. The majority of the Defense Acquisition Structures and Capabilities Review effort was in the analysis of the workforce.

Conclusion

This chapter analyzed the major legislation that shaped the creation of the Defense Acquisition System. It demonstrated the tension between the centralization efforts of the defense department and the authority of the services to control acquisition. The legislation frequently contained contradictions in its implementation that complicated the system further rather than eliminated its problems. Finally, this chapter introduced the six acquisition-reform studies selected for analysis. It reviewed the intended objectives and fundamental assumptions of each study. The following chapter explores these studies even further, by analyzing the problems they identified and then reviewing the recommendations they proposed.

⁴¹ Defense Acquisition University, *Defense Acquisition Structures and Capabilities Review Report*, iv.

Chapter 2

Findings and Analysis of the Selected Studies

Each of the six studies analyzed in this paper contain anywhere from dozens to hundreds of individual problems and recommendations per report. As a result, this analysis does not cover each individual data point. It primarily focuses on the largest and most significant problems or recommendations, consolidating lesser items by function whenever possible. This chapter treats problems and recommendations separately, but organizes them for analysis in a similar manner. It addresses the problems identified by each of the six studies first, followed by each of the studies' proposed recommendations in the second half. It compares the problems provided in each report to identify any trends over the 21-year period covered by these studies.

PROBLEMS IDENTIFIED IN THE SIX STUDIES

Problems Identified by the Packard Commission

The Packard Commission reports provide one of the most comprehensive compilations of problems with the Defense Acquisition System collected at any one time. Between the interim and final reports, the Packard Commission identified approximately 70 problems. This analysis sorts these problems into nine different categories: organizational structure, requirements process, acquisition process, legislation and regulations, budget process, workforce, oversight issues, cost, and industry, listed in descending order of the number of problems identified.

The commission identified significantly more problems with organizational structure and the requirements process than any other areas. Regarding organizational structure, the commission found the Defense Acquisition System was inflexible and its processes too long, with problems deeply ingrained. They also criticized the system for promoting an unhealthy competitive environment between the services. They found that the system fragmented responsibility for acquisition policy among the services. This fragmentation drove the services to adopt workarounds and to become more autonomous than the DoD intended. It also blurred lines of accountability. As a result, the services frequently assumed policy responsibilities without coordinating with other agencies. Additionally, they considered service research and development efforts as redundant. Since the acquisition system lacked leadership and accountability, the commission suggested changing the department's organizational structure to include a single manager with acquisition authority. At lower levels, program managers had lost their authority, leaving them vulnerable to external meddling. To complicate matters, program managers had to answer to the services, Office of the Secretary of Defense (OSD), and Congress annually. All of these masters imposed competing demands and perspectives. Finally, the commission suggested providing combatant commanders with authorities broader than just operational command.

The Packard Commission identified the following problems with respect to requirements. The current process did a poor job of determining requirements and estimating costs. Both the user-pull and the technology-push methods of establishing requirements were flawed and had a tendency to

lead to gold-plating of systems. When military requirements were overstated, system specifications became too rigid very early in the acquisition cycle. The length of the acquisition cycle may have contributed to this problem; the requirements community may have tended to overstate the threat and their needs because it took so long for the acquisition community to field a system meeting them. These problems only exacerbated inadequacies in long-range planning. Finally, the commission stated that the requirements determination process underrepresented the views of the war-fighting commanders.

The acquisition process, legislation and regulations, budget and workforce represented the next significant grouping of problem categories. Excessive legislation resulted in rigidity and complexity in the acquisition system making it more encumbered and unproductive. The commission reported that Congress had been relying on regulations to correct acquisition problems, but in reality, many of the legislative changes began to exacerbate the problems they were trying to correct.

The commission noted the existing budget process led to the underfunding of many programs from the outset, setting them on a path toward failure from the beginning. Part of the reason for this was that budget objectives were not linked to requirements and resources. Specifically, the annual budget process wreaked havoc on program stability since program managers were unable to rely on a future-year funding stream. The result of this instability was increased cost, which decreased program performance and ultimately jeopardized funding. The associated Congressional oversight only served to fixate players in the process on costs even more, taking their focus away from other potential problem areas.

Finally, the biggest problem noted by the commission concerning workforce issues was the lack of importance placed on developing the civilian acquisition workforce. The Defense Acquisition System was asking poorly-trained personnel to manage programs that essentially started out in the hole. It was not a prudent strategy for the successful development of weapon systems.

Problems Identified by the Defense Management Review

The Defense Acquisition System-related problems and recommendations addressed in the Defense Management Review stem largely from the findings of the Packard Commission. As mentioned previously, this review aimed to implement the commission's recommendations more completely. However, the DMR report also identified a few dozen additional problems itself. The majority of these concerned organizational structure and the defense acquisition workforce. The review also found that government oversight and acquisition regulations had created the next largest set of additional problems. Approximately one third of the stated problems addressed the areas of budget, requirements, acquisition, and industry.

Problems Identified by the Defense Science Board

The Defense Science Board Reports on Defense Acquisition Reform organized their identified problems into four areas. These categories included the problems that were major barriers to the incorporation of commercial practices, problems that created excess costs in the acquisition system, problems with the requirements definition process, and issues with gaining and maintaining public trust. The following paragraphs address the major problems within each of these areas.

The major barriers to the incorporation of commercial practices included the use of the cost-based contracting system, the imposition of unique government specifications, the use of DoD-unique procurement requirements, the demand for data rights, and the inflexibility of the requirements definition process. The study noted that many previous reforms attempted to remedy these problems, however, the actual implementation of reforms often failed to meet the original intent.

Problems that created excess costs in the acquisition system included various inefficiencies in program definition, execution, and in the defense industrial base. Specific program definition problems included a failure to consider both cost and value in evaluating potential solutions to a capability need, and the instability that resulted from both budget and requirements changes. The board found that inefficiencies in acquisition system execution included unique government specifications, processes, procedures, and oversight. The primary problem identified with the defense industrial base was the cost associated with the duplication of industrial capacity in the form of government labs, depots, and arsenals.

The board blamed the services for most of the problems it found within the requirements-definition process since the services primarily executed it. This created competition for requirements between the services and the COCOMs. Since the board found the services were ignoring joint requirements, it recommended giving the lead role in the requirements process to the COCOMs who were already responsible for operational mission areas.

The final category of problems identified by the board dealt with maintaining public trust. The board found that the current acquisition system

did not adequately protect public resources because it encouraged suppliers to sell the government more expensive products to make a profit and discouraged them from developing efficient production processes. As a result, the DSB found the system created a setting ripe for the development of contentious charges, false claims, inadequate pricing, and incentives for contractors to bill the government for unallowable costs. The problems the DSB reported only served to increase cost and schedule delays for any given program, making the public even more distrustful of the entire Defense Acquisition System.

Problems Identified in the Beyond Goldwater-Nichols Studies

The following section organizes the major Defense Acquisition System-related problems identified in the Beyond Goldwater-Nichols (BG-N) reports into three categories: requirements, resources, and acquisition. Although this series of studies also reviewed additional national security issues, such as interagency coordination and defense-logistics consolidation, this section only includes the problems related to the Defense Acquisition System.

The BG-N study determined the requirements process did not adequately address the needs of the combatant commanders. One problem was that the JROC was comprised of the service vice chiefs, meaning that demand was articulated by those responsible for supplying the products to meet it. Additionally, the process lacked advocates for the COCOMs' middle and long-term needs. The study team found that the system allowed for requirements creep, which in turn increased schedule and cost. Finally, a significant disconnect appeared between the operational and the acquisition, especially test, communities over required timelines for delivery of the capability.

Regarding resources, the study team blamed the resource-allocation process for significant program instability. Specifically, the team highlighted the use of procurement funding for operations and maintenance purposes. The extreme competition among a vast number of programs for limited dollars exacerbated this problem. Another problem was that the services, which controlled the POM process explained earlier, were not adequately supporting joint programs. Finally, the team found that resource planning was neither meaningful nor properly implemented into the PPBES.

Concerning the management of the acquisition process, the BG-N study team found that the system as a whole lacked responsiveness, and failed to encourage cost and schedule efficiencies. A lack of accountability within the system caused these and several other problems. The team found that services controlled the requirements and resources processes, but not the acquisition-management process. Additionally, they identified the lack of integration of the comprehensive Defense Acquisition System under a single authority as a problem. Finally, they stated there was little jointness in DoD science and technology development.

Problems Identified in the Defense Acquisition Performance Assessment

The DAPA review panel gathered over 1,000 observations and categorized them into 42 different issue areas. They then grouped these issue areas into the six broad assessment categories of organization, workforce, budget, requirements, acquisition, and industry.¹ The following section summarizes the major problems identified in each of these assessment categories.

¹Department of Defense, *Defense Acquisition Performance Assessment Report*, 3.

Regarding organizational structure, the panel discovered deeply-embedded problems in the structure of the Defense Acquisition System.² The team found significant disconnects between the three processes of the system, which generated significant instability and degraded program-manager authority. The panel discovered the leadership and oversight processes in the existing structure did not place programs in a position to succeed. The method of categorization of acquisition programs had a singular focus on cost, which ultimately resulted in excessive review and reporting requirements. Multiple reviews, according to the panel, tended to create program revisions and new tasks that drove program costs up. Another problem was the lack of a standard set of metrics to apply universally to acquisition programs. Many of the metrics used were found to be ineffective and resulted in frequent program re-baselining. The lack of reliable metrics prevented the accurate analysis of program cost and schedule performance.

The panel also identified several significant problems with the defense acquisition workforce even though the department had spent 15 years trying to implement DAWIA reforms. From a broad perspective, the panel's most serious workforce concern was that requirements and budget personnel were not considered part of the acquisition workforce; they were not covered by DAWIA. Despite DAWIA's comprehensiveness, the panel criticized the act for not requiring the consolidation of responsibility for acquisition-workforce development within a single entity. The act left this responsibility up to the services to implement, but the panel discovered that since the service chiefs were not a part of the acquisition process, the services were separated from

² Department of Defense, *Defense Acquisition Performance Assessment Report*, 2.

their workforce-development responsibilities. Additional problems included an overburdened workforce due to the deliberate reduction in the number of acquisition personnel and a lack of experience, tenure, and training for personnel in key senior acquisition positions, especially program managers.

The panel identified five major problems in the budget process. The first was the difficulty of program planning due to variability between budget predictions and budget authorities. This set the stage for another major problem of which both Congress and the services were guilty. Congress tended to remove money from specific programs for non-programmatic reasons. The services had a habit of shifting procurement dollars to fund personnel and operations and maintenance elements. The panel highlighted that both of these actions introduced tremendous instability into the system. Another problem was the use of overly optimistic budget projections that resulted in significant reprogramming when programs could not live within these restrictive budget limits. Coupled with inaccurate inflation factors, these actions increased cost and schedule over the long term. The final major problem identified by the panel was that program managers lacked any form of financial authority. Without any control over budget reserves, program managers had few tools to deal with the instability created by these other budget-related issues.

With respect to the requirements process, the major problem the panel found was that combatant commanders did not have a primary role in defining requirements. Therefore, approved program requirements frequently did not accurately represent the COCOM's desired capabilities. Additionally, they assessed senior defense leadership was not adequately involved in the requirements process. In fact, one of the most identified problems was the lack

of management of the process. The panel assessed the structure of JCIDS was better suited for a Cold War-style opponent. This meant the process was complex, slow, and did not consider time, cost, and technological feasibility. Both JCIDS and the services lacked insight into the technological maturity and resource requirements needed to achieve desired capabilities.

The panel identified a number of problems with acquisition and split them into two categories: process and time-certain development. With respect to the process, the panel found that cost-plus strategies resulted in overly optimistic bids due to little or no financial risk to the bidder. In addition to shouldering little risk, another problem was that bidders faced less competition with the long-term trend in consolidation of the defense industry. This decreased competition denied the DoD the ability to reap the traditional benefits of competition. There was also less competition in programs due to fewer new starts associated with declining budgets. Another problem was that DoD weighed cost too heavily over other factors such as schedule and performance when it selected contract winners. The lowest-priced bidder tended to also offer the lowest quality solution. Exacerbating this situation was the failure of the acquisition system to incentivize desired contractor performance. All of these problems represented an acquisition culture that stressed cost over value.

The panel also identified several problems with respect to time-certain development in acquisition. One of the most important structural problems was that Milestone B decisions occurred before the program demonstrated a sufficient level of confidence in technological maturity, capability, and cost and

schedule performance.³ This decision committed further resources to a program before eliminating excessive risks in cost, schedule, and performance. The panel also identified however, that even if the department delayed making Milestone B decisions, the system had difficulty accurately measuring technological maturity. These problems resulted in continual re-baselining, which served to hide further increases in cost and schedule. The panel identified one other problem that produced the same unintended results. Frequent changes to acquisition policy and rules oftentimes forced programs to implement changes that raised costs and delayed weapon-system-program completion.

The panel observed that the defense industry had been consolidating considerably over the twenty years prior to their review. There were 20 prime defense contractors when Congress began implementing Goldwater-Nichols. This number shrank to six during the intervening twenty years. This industrial consolidation considerably limited available competition and removed industrial incentives to invest capital in research and development. This lower capital investment decreased the DoD's opportunity to take advantage of commercial innovations in technology that had existed under the traditional structure prior to consolidation. The panel also identified globalization of the defense industry as another problem. To protect American industry from globalization, the government instituted export controls that actually discouraged companies from doing business with the defense department.

³ The Defense Acquisition System uses a milestone management/development system. Milestone A is concept refinement, Milestone B is technology development, and Milestone C is system development and demonstration. After Milestone C, the weapon system enters production and deployment. David S. Sorenson, *The Process and Politics of Defense Acquisition* (Westport, CT: Praeger Security International, 2009), 55.

Problems in the Defense Acquisition Structures & Capabilities Review

The Defense Acquisition Structures and Capabilities Review focused on only two aspects of the Defense Acquisition System: organizational structure and the acquisition workforce. In the course of doing so, the study team performed the most thorough review of the defense acquisition workforce since the implementation of the DAWIA sixteen years earlier. Although this paper addresses some workforce issues presented in other studies, it excludes the findings and recommendations of the Defense Acquisition Structures and Capabilities Review on acquisition workforce issues due to the depth of their focus. However, the following provides a review of the major problems identified in the study regarding organizational structure.

The main problems identified for the Defense Acquisition System included a lack of consistent leadership, instability in funding, the use of immature technology, and overly optimistic budget, schedule, and technology-readiness forecasts. The role these problems played varied depending on the different organizational cultures encountered, however, these problems were widespread.

The review team noted, “that traditional joint acquisition programs present unique challenges in reaching consensus, defining requirements, obtaining funding, and receiving priority on staffing.”⁴ Specifically, the study identified a number of problems to include parochialism and negative competition between the lead and participating services, problems with obtaining appropriate funding and staffing for joint programs, difficulty obtaining agreement on requirements definition, an insufficient level of COCOM

⁴ Defense Acquisition University, *Defense Acquisition Structures and Capabilities Review Report*, vii.

participation in the requirements process, and ill-defined roles and responsibilities of the services.⁵ While similar problems plagued service acquisition efforts, the review noted that joint programs amplified them.

Finally, the review identified considerable differences in each of the services' acquisition organizations. The review team determined these organizational differences did not have a significant impact on acquisition outcomes despite having the same basic mission. However, the study team contradicted themselves when they indicated that organizational structure did play a role in shaping the outcome: "military departments have used reorganizations to create better visibility, improve communications, and strengthen alignment among the requirements community, the acquisition community, and their warfighters."⁶

ANALYSIS OF THE SIX STUDIES' RECOMMENDATIONS

Packard Commission Recommendations

In developing its recommendations, the Packard Commission evaluated successful programs from the civilian commercial sector as well as a limited number of successful defense programs. The successful DoD programs evaluated by the commission task force were either developed under special streamlined procedures or were highly classified projects that benefitted from both reduced oversight and streamlined procedures. Focusing on the civilian examples, the Packard Commission report identified six fundamental characteristics of successful civilian acquisition systems. These were clear command channels, stability, limited reporting requirements, small, high-

⁵ Defense Acquisition University, *Defense Acquisition Structures and Capabilities Review Report*, 2-35-36.

⁶ Defense Acquisition University, *Defense Acquisition Structures and Capabilities Review Report*, viii.

quality staffs, communications with users, and prototyping and testing.⁷ The commission determined that each of these characteristics represented features that were common to both defense and civilian programs. They considered this important since it signified that these characteristics could be successfully included into a defense acquisition model of excellence.

The commission's proposed model consisted of seven recommendation areas. The first was to streamline acquisition organization and procedures. The major recommendations in this area included the creation of a position of Under Secretary of Defense for Acquisition whose primary responsibility would be managing the Defense Acquisition System. The commission also called for a nearly equivalent position in each of the services. These Service Acquisition Executives would in turn appoint several Program Executive Officers. The commission also recommended reducing the acquisition workforce. Finally, they recommended consolidating acquisition laws into a single condensed government-wide statute.

The second area was to use technology to reduce costs. The basic idea was to use prototypes to demonstrate technology capabilities prior to a development decision. They suggested applying streamlined acquisition procedures in the early stages of development and relying on competition among several design teams in these early stages. The commission called for agencies like the Defense Advanced Research Projects Agency (DARPA) to sponsor research in areas not covered by the services.

Balancing cost and performance was the third recommendation for the model. The commission recommended restructuring the Joint Requirements

⁷ The President's Commission on Defense Management, *A Formula for Action*, 12.

and Management Board (JRMB). The JRMB would reconcile cost and performance decisions in the course of setting the requirements for a weapon system. The JRMB would assume many of the duties carried out by the Defense Systems Acquisition Review Council. These organizations were the predecessors to the JROC.

The fourth recommendation was to stabilize programs. The commission suggested two ways to achieve stability in acquisition. The first was to baseline weapon systems at the beginning of full-scale engineering development. The second was to utilize multi-year procurement for larger weapons systems. The commission felt that the program managers should have full authority to manage their programs and, as long as they abided by their baselines, they should have the discretion to make decisions regarding their programs.

The fifth area was to expand the use of commercial products. The commission advocated purchasing more commercial products and only purchasing custom items meeting unique military specifications when no other alternatives were available. Even then, the commission suggested that the DoD streamline military specifications considerably.

The sixth recommendation was to increase the use of competition. The commission's intent was for increased competition based on commercial-acquisition-style processes where cost was not the sole factor. The commission called for consideration of quality and performance, in addition to price, in evaluating competition.

The seventh and final recommendation area was to enhance the quality of acquisition personnel. This included the establishment of an alternative personnel management system, the broadening of the acquisition workforce,

increased education and experience criteria, and increased training opportunities. The commission intended these enhancements for the entire workforce, but they were especially important at the senior levels.

The Packard Commission intended that its recommendations be implemented holistically to create an effective new model of the Defense Acquisition System. Although Congress and the DoD implemented many of the commission's recommendations, they failed to implement some and fell short of holism in the solution. Subsequent studies drew heavily on the work and recommendations of the Packard Commission.

Defense Management Review Recommendations

The Defense Management Review was a direct descendant of the Packard Commission as indicated by the fact the first of its three major objectives was to implement fully the Packard Commission's recommendations. The primary recommendation made in the review was that the efforts of the various defense agencies required greater integration.⁸ Regarding resources, the review called for a more rigorous Planning, Programming, and Budgeting System and the development of a biennial budget process. To enhance stability, the review recommended the use of multi-year contracting and more participation of service program personnel in the budget process.

With respect to acquisition, the DMR recommended simplified contracting procedures and improvements to competitive practices. It also reiterated the recommendations of the Packard Commission regarding Senior Acquisition Executives, Program Executive Officers, Program Managers, and Acquisition Systems Commands within the services. Additionally, the review

⁸ Department of Defense, *Defense Management Report to the President*, 3.

stated the need for maximum accountability by the service chiefs in all of these positions.

The review team recommended the services create a dedicated acquisition corps and develop its members appropriately. Additionally, the services were to assign operational personnel to acquisition program offices to bring the proper user perspective to their programs. They also recommended increasing the authority of the program managers and reducing oversight and intervention. The DMR recommended a review of all regulatory and other acquisition guidance within the DoD to simplify acquisition guidance.⁹ At the same time, they called for increasing accountability in government through a greater emphasis on ethics regulations, improved training, and more guidance. This call for increased guidance highlights a contradiction in the panel's recommendations, since a primary focus of their effort was to reduce guidance. Finally, the DMR noted that the industrial base could only be strengthened through "broad reform of the acquisition system, including the legal regime and oversight practices under which it currently operates."¹⁰

Defense Science Board Recommendations

The DSB recommended that the "DoD should commit now to an evolutionary approach to a fundamentally new system."¹¹ Their primary recommendations fell into two categories. These were to incorporate commercial practices into DoD processes to the maximum extent possible and to provide the COCOMs a greater role in defining requirements.

⁹ Department of Defense, *Defense Management Report to the President*, 11.

¹⁰ Department of Defense, *Defense Management Report to the President*, 24.

¹¹ Department of Defense, *Report of the Defense Science Board Task Force on Defense Acquisition Reform*, 12.

The incorporation of commercial practices was the primary focus of these studies' additional recommendations. These consisted of developing a multi-year plan to transition to a more commercial-like structure, the establishment of a non-government oversight board, and the development of an education and training program to facilitate the implementation of the new processes. The board indicated these new processes should incorporate the use of commercial specifications, simplified procurement procedures, and commercial products increasingly, as well as reducing the influence of cost or pricing data to transition from the cost-based acquisition system unique to the DoD.

The DSB felt that the department needed a means of linking its operational plans and long-term budget decisions into its requirements process to implement the requirements-related recommendations. They recommended that the services retain the responsibility to organize, train, and equip their forces, but that the COCOMs play a greater role in determining how to equip the forces. This would require an enhanced relationship between the services and the COCOMs. This relationship needed the flexibility to allow continued reassessment of requirements and a direct link between the COCOM who owned the requirement and the service developing the weapon system as a solution.

The second and third DSB reports described in specific detail which government sectors were ideal candidates for implementing commercial practices and how they should implement its recommendations. Additionally, they recommended enhancing the capabilities of two COCOMs, USACOM and USCENTCOM, for developing new capabilities in an enhanced requirements-

determination process.¹² These COCOMs would provide a test bed for evaluating this more flexible process where COCOMs participated in the selection of solutions for their own mission needs.¹³

Beyond Goldwater-Nichols Recommendations

While the BG-N study team made recommendations that involved changing defense processes, they paid more attention to how to execute existing processes more efficiently rather than replacing them.¹⁴ With respect to the Defense Acquisition System, they presented their recommendations like the problems they identified, in the three functional areas of requirements, resources, and acquisition.

The primary recommendation concerning requirements called for a more COCOM-centric requirements process. The study team strongly believed that war fighters who actually executed military missions should set future requirements. As a result, they advocated increasing the COCOM's role in this process, with the services providing potential solutions via a competitive structure.¹⁵ In particular, they advocated the creation of a United States Joint Forces Command (USJFCOM) liaison office in Washington, DC, to represent all COCOMs' future capability needs. This call also included replacing the vice chiefs on the JROC with COCOM deputies¹⁶. Regarding the year-old JCIDS process, the B-GN team did not make any specific recommendations at the

¹² United States Atlantic Command (USACOM) became United States Joint Forces Command (USJFCOM) in 1999 per JFCOM website, <http://www.jfcom.mil/about/History/abthist1.htm> (accessed 4 June 2009).

¹³ Department of Defense, *Report of the Defense Science Board Task Force on Defense Acquisition Reform (Phase II)*, (Washington, DC: Office of the Under Secretary of Defense for Acquisition, August 1994), 4.

¹⁴ Clark A. Murdock et al., *Beyond Goldwater-Nichols (BG-N): U.S. Government and Defense Reform for a New Strategic Era Phase 2 Report*, (Washington, DC: Center for Strategic and International Studies, July 2005), 9.

¹⁵ Murdock et al., *BG-N Phase 2 Report*, 10.

¹⁶ Murdock et al., *BG-N Phase 2 Report*, 10.

time, but did note that its performance was sub-par. The team felt that personal relationships accounted for any positive results the requirements process achieved. They recommended structuring the process in a manner that permanently institutionalized these relationships as part of the system.

The team made a number of recommendations regarding resources. The greatest of these was the need to bring stability to acquisition budgets, possibly by creating unique capital accounts for major programs. Regarding joint-capability programs specifically, they determined that funding and authority should exist outside of the services. Additionally, the team supported the idea suggested in the Quadrennial Defense Review to divide budgets based on joint capability areas. Finally, they called for a restructuring of administrative functions to include a new Under Secretary of Defense for Management with authority over all commercial-like defense agencies and programs.

To improve performance within the acquisition process, the team recommended restoring responsibility for acquisition under the service chiefs. They believed this would aid greatly in preventing OSD from micromanaging specific programs. At the same time, they recommended increasing the stature and responsibility of DoD's technical leadership, specifically the DDR&E by appointing him a member of the JROC and making him a principle deputy. Another management initiative was to stabilize leadership within the acquisition community by decreasing the rate of turnover within key positions. Beyond the workforce, the team called for the expansion of rapid acquisition programs and the inclusion of time-certain development in traditional program requirements. Additionally, they called for an increase in the use of risk-based source selection methods requiring tradeoffs between requirements, budget, and risk.

Defense Acquisition Performance Assessment Recommendations

The DAPA offered 32 recommendations spanning the six previously identified categories. The major recommendations concerning organization were for each service to establish an Acquisition Systems Command commanded by a four-star flag officer, to reduce and streamline oversight, and to place authority, responsibility, and accountability in the appropriate positions. The primary recommendation with respect to the acquisition workforce was to rebuild and incentivize it. The panel provided two primary recommendations regarding the budget. These were to overhaul the Planning, Programming and Budgeting System and to create a separate Stable Program Funding Account.¹⁷ This stable funding account, which chapter four will describe in detail, would help solve the existing budget process' problems with long-term cost increases by identifying large future-year expenditure requirements up front.

They had four major requirements-related recommendations. The primary recommendation was to replace the JCIDS process with a Joint Capabilities Acquisition and Divestment Plan that would place the COCOMs in a position of primacy. The panel recommended this plan be developed via a two-year process that accompanied a Material Solutions Plan Development Process to find and develop appropriate solutions. The panel advocated increasing flexibility for program managers by modifying test and evaluation criteria to allow for a category of "Operationally Acceptable" and allowing PMs to shift non-Key Performance Parameter (KPP) requirements to later development versions. The Operationally Acceptable option offered a method for program

¹⁷ Department of Defense, *Defense Acquisition Performance Assessment Report*, 34.

managers to balance the desires of the test community and the requirements of the COCOMs. It provided a check on the traditional problems associated with the test community by creating a method to interject in the test and evaluation process and declare the solution good enough to satisfy the COCOMs' current requirements. The recommendation to delay inclusion of non-KPPs, those system attributes that were not deemed to be essential requirements but rather were nice-to-have capabilities, provided managers with another means of keeping their program on schedule by delaying incorporation of these attributes to later versions of the weapon system.

With respect to acquisition, the panel recommended implementing a risk-based rather than cost-based source selection process. They also placed greater importance on program schedule by suggesting it become a mandatory Key Performance Parameter, shifting to time-certain procedures for development, and implementing formal program start and end dates. Finally, in the category of industry, the panel recommended that DoD share long-range plans with commercial industry and restructure competition for new programs. Additionally, they recommended that a method of formal competition be included for major subsystems when a program follows a Lead System Integrator strategy.

Defense Acquisition Structures & Capabilities Review Recommendations

The Defense Acquisition Structures and Capabilities Review provided nine primary recommendations to improve the Defense Acquisition System. Only one of these recommendations specifically related to organizational structure while the other eight pertained to the workforce. The recommendations were to develop strategic objectives to shape the workforce; to

improve workforce data quality; to revalidate and improve current training, certification, education, and qualification standards; to fully develop and deploy a strategy to implement an Employee Value Proposition Initiative; to establish student or intern programs; to work with the DoD Comptroller to establish standard and consistent training and certification standards for individuals outside the acquisition organizations who perform acquisition-related budget functions; to charter future Joint Program Executive Offices; to mitigate the impact of departing, seasoned talent, especially engineering, scientific, and technical expertise from the AT&L workforce; and to increase funding levels for acquisition training.¹⁸

Rather than provide organizational-specific recommendations, the review identified five primary findings regarding organizational structure. These findings consisted of the belief that DoD acquisition organizations were continuously evolving, that changes in acquisition organizations did not have improving acquisition outcomes as a sole purpose, that organizational change was not enough to offset other shortcomings, that joint acquisition programs had problems with cost, schedule, and performance similar to single-service programs which were amplified by the multi-service and –agency environment, and finally that several significant organizational changes had been made over the last 25 years.¹⁹

The explanation provided for the lack of recommendations centered on the team’s belief that “organizational structure is not the driving factor in

¹⁸ Defense Acquisition University, *Defense Acquisition Structures and Capabilities Review Report*, 4-1.

¹⁹ Defense Acquisition University, *Defense Acquisition Structures and Capabilities Review Report*, 2-38.

acquisition performance or in improving outcomes.”²⁰ The team arrived at this assessment after reviewing the impacts of previously-implemented organizational changes, rather than studying the potential impact of more robust, significant changes. The past changes reviewed by the team were often tailored and narrow in scope. As such, the team should not have expected those previous organizational changes to alter significantly the performance or outcome of the Defense Acquisition System on a larger scale.

Conclusion

These six selected reports represent 21 years of intense study, focused recommendations, and numerous reform attempts. Unfortunately, they repeatedly identified similar problems from one study to the next. While just about all of them reported the need for sweeping radical change to the Defense Acquisition System, legislation enacted after each study failed to deliver the required changes. Additionally, many of the enacted recommendations experienced problems with implementation. While Congress and the DoD enacted and implemented some of the recommendations in a piecemeal fashion, none of these reforms were implemented in a holistically integrated manner. The piecemeal changes provided some benefit, especially when considered within the narrowly-focused objectives of a particular recommendation, but they never achieved the system-wide outcomes their proponents had desired.

Collectively, these studies identified a number of tensions inherent in the Defense Acquisition System. The most frequent of these tensions was the constant fight between service autonomy and the needs of the joint war fighter. Many reported that acquisition authority was critical to the vitality of the

²⁰ Defense Acquisition University, *Defense Acquisition Structures and Capabilities Review Report*, 2-37.

services, but at the same time, reported the services did not adequately cover joint requirements. Concerns over the proper mix of functional acquisition specialists and operators within programs related closely to this tension. The composition of program offices was a key concern with respect to trust and stewardship issues, as was the services' relationship with industry. Additionally, Congress' local political interests entered into this relationship in tension with Defense Acquisition System efficiency. Reform attempts often treated the symptoms of these tensions rather than answering the specific questions they raised at the core. The need for accountability, more than anything else, sat at the heart of these tensions, yet Congressional attempts to fix the Defense Acquisition System only stifled accountability further.

While the studies' repeated identification of problems clearly demonstrated a failure to reform adequately the Defense Acquisition System, reform is not impossible. A few departmental acquisition programs have achieved success. In several cases, these successful programs were allowed to depart from the mainstream Defense Acquisition Systems' rules and procedures to implement alternative structures as workarounds in response to urgent war-fighter needs. The following chapter explores some of these initiatives as well as the unique case of the United States Special Operations Command (USSOCOM) whose initial structure was built around a robust acquisition authority of its own, as one part of an effort to break free from a traditional service-centric method of special operations employment fraught with problems.

Chapter 3

DoD's Non-traditional Acquisition Structures

The Battlefield successes in this campaign have proven again and again the foresight of Congress in the creation of USSOCOM. Our organizational flexibility and streamlined acquisition and resourcing authorities continue to allow unequaled response to the needs of our operators.

Lieutenant General Bryan D. Brown

In addition to piecemeal changes made at the prodding of the repeated reviews to the Defense Acquisition System, Congress, DoD, and the services have taken a number of reform-like actions outside of the normal acquisition system over the years. These actions occurred at multiple levels within the acquisition system and met a variety of objectives. The defense department largely tried these alternative methods to better support the operational war fighter in a timely manner. The Defense Acquisition System's inflexibility and unresponsiveness to urgent military needs compelled the department to seek out these alternatives. Because the services could implement these efforts with significantly fewer resources, many of these actions occurred relative to smaller-sized acquisition programs. This chapter reviews two broad categories of these non-standard efforts. The first category includes alternative processes employed to speed the acquisition process from research and development to the delivery of an operational capability, referred to as rapid acquisition processes. The second category involves a larger initiative empowering altered organizational structures, with Congress giving acquisition responsibility and

authority to different DoD stakeholders; it specifically investigates the decision to grant a combatant commander robust acquisition authority. The non-traditional rapid acquisition processes below represent the department-initiated process used for smaller weapon systems.

NON-TRADITIONAL RAPID ACQUISITION PROCESSES

In recent years, DoD and the services developed several non-traditional rapid acquisition processes to address the inability of traditional practices to meet the war-fighter's demands quickly. Several of these alternatives successfully fielded new capabilities in a timely and cost-effective manner. The department did not attempt these new processes with any of the services' major weapon systems, so these efforts tended to be on much smaller programs than the high-visibility, high-dollar-value, larger systems. These attempts to circumvent the traditional Defense Acquisition System provide insight into areas of the traditional processes that are open to streamlining or elimination altogether. This paper evaluates four examples of rapid acquisition processes. Two are from the OSD: the Advanced Concept Technology Demonstration (ACTD) and the Joint Rapid Acquisition Cell; and two are from the Air Force: the Rapid Response Process and the Warfighter Rapid Acquisition Program.

Advanced Concept Technology Demonstration

According to the Advanced Concept Technology Demonstrations Master Plan, ACTDs expedite the transition of maturing technologies from development to fielding. The OSD implemented the ACTD structure in 1994 "to conduct meaningful demonstrations of [a specific military] capability, develop and test concepts of operations to optimize military effectiveness, and prepare to

transition the capability into acquisition without loss of momentum.”¹ The intent of the ACTD program is not to develop a new technology, but rather to assess and integrate an existing technology into a capability useful to the war fighter. The ACTD accomplishes this goal by building prototypes and letting operational war fighters use them.

ACTDs give war fighters the opportunity to become familiar with new technological capabilities and their potential applications that they might not be aware of otherwise. According to the Joint Capability Technology Demonstration website, this allows the user an opportunity “to develop and refine his concept of operations to fully exploit the capability under evaluation, to evolve his operational requirements as he gains experience and understanding of the capability, and to operate militarily useful quantities of prototype systems in realistic military demonstrations, and on that basis, make an assessment of the military utility of the proposed capability.”² Not only does the ACTD structure increase the war fighter’s familiarity of emerging capabilities, but it provides considerable control to the war fighter over whether and how they will be integrated.

The Deputy Under Secretary of Defense for Advanced Systems and Concepts (DUSD(AS&C)) evaluates candidate ACTD programs on their ability to meet urgent, unmet war-fighter needs, the maturity of the demonstrated

¹ Deputy Under Secretary of Defense for Advanced Systems and Concepts Joint Capability Technology Demonstrations Webpage, “Advanced Concept Technology Demonstration Master Plan,” <http://www.acq.osd.mil/jctd/intro.htm> (accessed 5 April 2009).

² Deputy Under Secretary of Defense for Advanced Systems and Concepts Joint Capability Technology Demonstrations Webpage, “Advanced Concept Technology Demonstration Master Plan,” <http://www.acq.osd.mil/jctd/intro.htm> (accessed 5 April 2009).

technologies, and the potential effectiveness of the capability. Specifically, the guidelines for selection include:

- (1) the time frame for evaluating their military utility is typically 2 to 4 years;
- (2) the technology should be sufficiently mature;
- (3) they should provide an effective response to a priority military need;
- (4) a lead service or agency has been designated;
- (5) risks have been identified and accepted;
- (6) demonstrations or exercises have been identified that will provide a basis for assessing the military utility; and
- (7) funding is sufficient to complete them.³

Combatant commanders typically sponsor each ACTD. Since combatant commanders do not currently have acquisition authorities, services or defense agencies typically manage sponsored ACTDs. However, the JROC recommends which service or agency manages the ACTD, emphasizing the importance of joint control in the structure. Demonstrating the importance of end-user input, the DUSD(AS&C) chairs an oversight panel that includes members from all development and user organizations to provide a practical forum for communication and to resolve any issues that may arise.

Potential users help evaluate proposed capabilities through extensive testing and employment in realistic exercises to ensure they meet their needs. War fighters therefore gain experience with these particular capabilities while also training to operate prototypes. Additionally, early user involvement gives them the ability to refine requirements and affect capability design at the beginning of the development process. These early changes are less costly and do not impose schedule delays like late cycle changes. This involvement provides a clear understanding of the system's military utility and increased

³ Government Accountability Office, *Defense Acquisitions: An Analysis of the Special Operations Command's Management of Weapons System Programs*, GAO 07-620, (Washington, DC: Government Accountability Office, June 2007), 16.

performance for the war fighter prior to the system entering the formal acquisition process.

The Defense Department conducts Joint Military Utility Assessments of ACTDs to evaluate military capability formally. The operational end user actually provides, or at a minimum approves, the components of the operational exercises used to evaluate the system. By design, ACTDs transition to one of three potential outcomes. The first occurs if the capability demonstrates military utility and the sponsor recommends acquisition and fielding. The second occurs when the capability does not demonstrate military utility and the program terminates. The final potential outcome is that the limited fielding of the capability during the actual ACTD provided enough utility to satisfy the war fighter's needs and requires no further fielding.

The war fighter and the defense acquisition community have realized important benefits from their use of this non-traditional ACTD structure. The development community and operational users, typically independent communities, work closely together to solve critical needs. The ACTD saves considerable time and avoids development risks by ensuring the proposed capability consists of relatively mature technologies. This lets the department field a lower-cost, needed capability. The ACTD structure lets both service and joint technical and operational representatives evaluate the capability. The maturity allows users to develop a better and faster understanding of how to use the capability in the field. This accelerates development of a concept of operations, doctrine, tactics, techniques, and procedures.

OSD designed the ACTD so that these prototype capabilities can smoothly transition into various stages of the traditional acquisition system

upon their completion, depending on the level of technology and design maturity. ACTDs are poised for a smooth transition without a loss of momentum because the process requires programs to begin addressing operational requirements, interoperability, and training issues early in the process.

Joint Rapid Acquisition Cell

The Joint Rapid Acquisition Cell (JRAC) is a process that allows combatant commanders to resolve quickly both Joint Urgent Operational Needs (JUON) and Immediate Warfighter Needs. The Deputy Secretary of Defense developed JRAC procedures in 2004 and incorporated them into the Chairman of the Joint Chiefs of Staff instruction, *Rapid Validation and Resourcing of Joint Urgent Operational Needs* in 2005. A JUON is a COCOM-certified and -prioritized requirement whose urgency places it outside of the normal Defense Acquisition System requirements process. It must be a requirement that, if left unanswered, will seriously endanger personnel or pose a major threat to ongoing operations. An Immediate Warfighter Need is an urgent requirement that needs to be fielded faster than a JUON, usually for a capability delivered within 120 days to two years. The JUON is typically joint in nature and complements existing service rapid-acquisition initiatives.

The JRAC process is responsive because of rapid acquisition authority that spans the resource and acquisition processes. This authority stems from the Bob Stump National Defense Act for Fiscal Year 2003 as amended by the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005. These laws granted special authority to the Secretary of Defense to waive non-criminal regulations and statutes for testing and procurement, and provided

\$100 million in budget reprogramming authority per fiscal year. This authorization allows officials to reprogram funds regardless of the categorization of the money as long as they notify Congress within 15 days.

Each of the services uses different means to identify urgent requirements. The Air Force uses the Combat Capability Document, the Army the Operational Needs Statement, the Marine Corps uses the Urgent Universal Need Statement, the Navy, the Rapid Deployment Capability and the Abbreviated Acquisition Program, and finally, since SOCOM has acquisition authority, they developed the Combat Mission Needs Statement. Each of these documents attempt to reduce acquisition timelines for programs that are smaller than major defense acquisition programs in support of urgent war-fighter requirements.

Air Force Rapid Response Process

As mentioned previously, each of the services has developed a variety of rapid acquisition initiatives to support the war fighter better. The Air Force even uses multiple initiatives to respond to a war fighter's Urgent Operational Need. One method is via the Combat Capability Document and the Rapid Response Process (RRP). The intent of the RRP is to accelerate the fielding of systems rather than to replace the normal acquisition process. The USAF began experimenting with processes that evolved into the RRP as early as the first Gulf War. During this conflict, the Air Force realized that the normal Defense Acquisition System could not meet the time-sensitive needs of the war fighter in combat. The Air Force initially established the RRP to procure

munitions, communications, computers, and avionics equipment.⁴ As noted in a RAND study conducted at that time, the Air Force designed the RRP to process a validated Combat Mission Need Statement (C-MNS) in 24 days and field the desired capability in less than six months. By the end of the Desert Storm, the Air Force averaged 13 days for C-MNS processing and 1.8 months for fielding.⁵

The initial catalyst was the submission of a capability-shortfall request via one of the many service-unique formats described earlier. The RRP begins when the lead major command (MAJCOM) with responsibility for the mission area that covers this capability request approves the CDD. The MAJCOM then forwards the CDD with a recommended solution to the Air Force Chief of Staff (CSAF) and the Under Secretary of the Air Force for Acquisition for entry into the RRP. The CSAF convenes the Rapid Response Assessment Committee (RRAC) to validate, consider solution alternatives, and prepare an abbreviated acquisition strategy for the requirement and solution in question. During this time, the RRAC coordinates with the appropriate acquisition organizations from across the Air Force as needed. The RRAC forwards the package, once complete, to the Rapid Response Process Council (RRPC) for review and approval. Both the RRAC and the RRPC consist of members from organizations across the Air Staff and Secretariat. If there are no issues to resolve outside of the RRPC's expertise and authority, and it determines the proposed solution is sufficient, then the RRPC approves the RRP project and forwards the package to the CSAF for his information. If issues exist that the RRPC is unable to rectify,

⁴ Michael G. Anderson, *The Air Force Rapid Response Process: Streamlined Acquisition During Desert Storm and Desert Shield*, (Santa Monica, CA: RAND, 1992), v.

⁵ Anderson, *Air Force Rapid Response Process*, 10.

then the RRPC forwards the package with recommendations to the CSAF for review and approval. Upon approval, the MAJCOM will issue a Program Management Directive or amendment as appropriate to inform the affected organizations of their responsibilities in fielding the capability.

The RRP does not have a separate source of designated funding. The USAF works around typical resource processes to fund the capability required. It is the responsibility of the appropriate MAJCOM to identify a funding source with the initial submission of the CCD. If unable, then the MAJCOM must request higher-headquarters support to identify a potential source of funding at that time.

The primary purpose of the RRP is to “procure and field against a shortage of existing capabilities in order to satisfy wartime needs; e.g. quickly buying more body armor for USAF transportation units destined for Iraq.”⁶ If the required capability is one that needs coordination across the services, then the JRAC process described above handles the request rather than through the RRP. The intent is that the RRP field the capability within 60 days of the war fighter’s initial request.⁷

Air Force Warfighter Rapid Acquisition Program (WRAP)

The Air Force’s Warfighter Rapid Acquisition Program (WRAP) shortens the timeline for acquisition research, development, test, and evaluation funding. Shortening the timeline to get money for these activities makes it easier to demonstrate technological maturity and transition into traditional acquisition system programs more quickly. Like the RRP, the WRAP does not replace the

⁶ Headquarters United States Air Force, *Warfighter Rapid Acquisition Process Guidebook*, 27 May 2008, 2.

⁷ Air Force Instruction (AFI) 63-114, Rapid Response Process, 12 June 2008, 6.

traditional acquisition process or waive statutory acquisition requirements, but makes it easier to get funds to start the early stages of the process. The Air Force has established a permanent funding pool to bridge the gap between technology demonstration and the normal POM cycle. This source contains a total of approximately \$25 to \$30 million available for use annually. Program managers may request WRAP funding at any time during the year, potentially shortening the wait for POM funding by up to two years.⁸

According to the WRAP Handbook, the process has six steps: Sponsor Nomination, Nomination Submission, WRAP IPT Review, WRAP RRAC Review/Recommendation, WRAP RRPC Recommendation, and CSAF Approval. The WRAP utilizes the same assessment and process committees as the RRP. The process takes approximately 30 to 45 days and occurs multiple times in a year until funds are exhausted. If there is sufficient justification warranted by the urgency of a particular request, there is a provision for an out-of-cycle assessment.⁹

The USAF has implemented a disciplined process to ensure that WRAP merely serves as an entry into the traditional resourcing process rather than a pool of funds for currently unfunded items. The WRAP process is available only to Air Force organizations that have authority to POM. The submitting organization is responsible for ensuring that it programs for the required funding to execute fully the program beyond the bridge provided by the WRAP. Only the specifically-submitted program may use these funds, and they are not available to develop unproven technologies.

⁸ Headquarters United States Air Force, *Warfighter Rapid Acquisition Process Guidebook*, 27 May 2008, 2.

⁹ Headquarters United States Air Force, *Warfighter Rapid Acquisition Process Guidebook*, 27 May 2008, 4-5.

The primary benefit of WRAP is that it jump-starts the normal acquisition process by using up-front funding. The Air Force intended to use WRAP with programs that are technologically mature enough and have advanced acquisition strategies that can contractually obligate funding within 60 days of receipt.

COMBATANT COMMAND ACQUISITION AUTHORITY

USSOCOM Acquisition

While rapid acquisition processes represent significant attempts by the department to address war fighter needs in times of conflict, other larger changes implemented to support the joint war fighter acknowledge the failed structure of the Defense Acquisition System at a higher level. In 1986, Congress enacted Public Law 99-661, known as the Cohen-Nunn Amendment to the National Defense Authorization Act for FY87. It directed the President of the United States to create a unified combatant command for the conduct of special operations missions. Congress created USSOCOM as a direct result of deficiencies identified in the nation's ability to conduct these missions. They structured the command to ensure that forces would be ready and able to conduct special-operations missions in the future.¹⁰ The law stipulated that the DoD create a separate major force program (MFP) category in their Future Years Defense Plan to ensure that special operations forces were adequately funded.¹¹ However, the DoD appeared reluctant to implement the major force program aspect of the law since some within the department felt the new command

¹⁰ General Accounting Office, *Special Operations Forces: Force Structure and Readiness Issues*, GAO/NSIAD-94-105, (Washington, DC: General Accounting Office, March 1994), 10.

¹¹ General Accounting Office, *Special Operations Forces: C-130 Upgrade Plan Could Help Fix Electronic Warfare Deficiencies*, GAO/NSIAD-99-1, (Washington, DC: General Accounting Office, 13 November 1998), 1-2.

should not have its own Program Objective Memorandum (POM).¹² As a result, Congress enacted two more laws in the following two years clarifying their original intent. The first created MFP-11, giving special operations forces their own budget category. The second assigned the new COCOM responsibility for “(1)preparing and submitting to the Secretary of Defense budget proposals and program recommendations for assigned forces and (2) exercising authority, control, and direction over its budgetary expenditures, including limited authority over the expenditures of funds for special operations forces assigned to other commands.”¹³ The implementation of these laws forced DoD to align more with Congress’ intent.

Section 167 of Title 10 of the US Code grants the commander of USSOCOM the authority to develop and acquire Special Operations (SO)-Peculiar equipment, material, supplies and services. Additionally, the section designates the combatant commander as the head of agency for acquisition authority and the head of contracting activity. The commander delegated select portions of these latter two responsibilities to the dual-hatted acquisition executive and senior procurement executive, whose authorities and responsibilities equal that of the services’ senior acquisition executives.¹⁴ Department of Defense Directive 5100.3, *Support of the Headquarters of Combatant and Subordinate Joint Commands*, defines Special Operations-Peculiar items as

¹² Colleen Wiatt et al., *The Special Operations Forces Posture Statement*, 10, USSOCOM Center for Acquisition and Logistics Website

http://www.socom.mil/soal/acquisition_authorities.htm (accessed on 28 Mar 09).

¹³ General Accounting Office, *Special Operations Forces: Force Structure and Readiness Issues*, GAO/NSIAD-94-105, 11.

¹⁴ Wiatt et al., *Special Operations Forces Posture Statement*, 73.

equipment, materiel, supplies, and services required for SO activities for which there is no Service-common requirement. These are limited to items and services initially designed for, or used by, SOF [Special Operations Forces] until adopted for Service-common use by other DOD Forces; modifications approved by the Commander in Chief, U.S. Special Operations Command (USCINCSOC) for application to standard items and services used by other DOD forces; and items and services approved by the USCINCSOC as critically urgent for the immediate accomplishment of an SO activity.¹⁵

According to Section 165 of Title 10, the services retain responsibility for providing SOCOM with material and equipment not deemed special-operations-peculiar.¹⁶

From an acquisition perspective, USSOCOM is like the services in that it has responsibilities to organize, train, and equip its forces, to articulate requirements, to conduct operational testing, and to provide for operational logistics support of its weapons systems.¹⁷ Like the military departments, it has budgets and programs for the areas of science and technology, research and development, procurement, operations and maintenance, and military construction.¹⁸ The same statutes and policies regulate USSOCOM acquisition as govern the rest of DoD acquisition.¹⁹ USSOCOM is unique among COCOMs because it is the only one with a complete suite of acquisition authorities similar to those of the services to develop, acquire, and field equipment.²⁰

¹⁵ Department of Defense Directive (DODD) 5100.3, *Support of the Headquarters of Combatant and Subordinate Joint Commands*, 15 November 1999.

¹⁶ General Accounting Office, *Special Operations Forces: C-130 Upgrade Plan Could Help Fix Electronic Warfare Deficiencies*, GAO/NSIAD-99-1, (Washington, DC: General Accounting Office, 13 November 1998), 1-2.

¹⁷ Doug Richardson, *Successes/Lessons Learned: Adapting Technology to Enhance the Warfighter Briefing Slides*, US Special Operations Command, 4 September 2007, Slide 2, www.dtic.mil/ndia/2007disrupt/Richardson_USSOCOM.pdf (accessed 29 March 2009).

¹⁸ Richardson, *Successes/Lessons Learned*, Slide 2.

¹⁹ Richardson, *Successes/Lessons Learned*, Slide 17.

²⁰ Wiatt et al., *Special Operations Forces Posture Statement*, 73.

Within the command, the Center for Acquisition and Logistics, also known as SOAL, manages all aspects of USSOCOM acquisition and logistics. The SOAL develops and acquires the command's special-operations-peculiar equipment, material, supplies, and services.²¹ SOAL has five mission areas related to acquisition. The first is to manage the command's development and procurement programs. SOAL's second mission is to monitor those MFP-11 programs that the services manage. Third is to conduct cradle-to-grave management of special-operations systems. The fourth mission is to serve as the focal point for all special-operations acquisition and logistics policies, procedures, and information. Finally, the SOAL serves as the command's interface with various external agencies and organizations on all research, development, and acquisition issues. The Special Operations Acquisition Executive (SOAE) heads the SOAL. He is one of only two individuals within the USSOCOM acquisition chain who can tell a program manager no, the other being the commander of USSOCOM.²² This structure significantly centralizes USSOCOM's acquisition activities and consolidates responsibility.

According to SOAL, there are four principles that govern USSOCOM acquisition. These are to deliver capability to the user expeditiously, to exploit proven techniques and methods, to keep war fighters involved throughout the process, and to take risk and manage it.²³ A foundational part of its strategy is to focus on rapidly fielding the 80% solution to a capability need while engaging

²¹ Wiatt et al., *Special Operations Forces Posture Statement*, 103.

²² Defense Acquisition University, *Defense Acquisition Structures and Capabilities Review Report Addendum: Pursuant to Section 814, National Defense Authorization Act, Fiscal Year 2006*, (Fort Belvoir, VA: Defense Acquisition University, June 2007), D-13

²³ Joseph R. Daum, *Doing Business with USSOCOM*, Briefing Slides, 5 December 2005, slide 7, www.dtic.mil/ndia/2005ussocom/tuesday/daum.pdf (accessed 29 March 2009).

both the war fighter and industry to provide the remaining 20% of the solution through upgrades following the initial rapid fielding.²⁴ The relatively flat, simplified organizational structure within USSOCOM provides the focus and common purpose needed to do so successfully. The command is a unique organization in the acquisition world because it “plans, funds, acquires, and sustains weapon systems all under one roof.”²⁵ The services’ acquisition structures lack this flat, focused structure.

Due to the flexible nature of the operational missions executed by USSOCOM, the COCOM developed a non-traditional acquisition process to be more responsive to its end users, its own operational forces. The key component of responsiveness addressed in this non-traditional acquisition process versus the larger system is speed. The Urgent Deployment Acquisition (UDA) process expedites acquisition procedures to convert the requirements identified in a Combat Mission Needs Statement (CMNS) into a fielded capability within six months. While SOCOM cannot apply UDA to acquire a major weapon system in its current form, the command has used the process to field small vehicles and small UAVs in addition to subcomponents of larger weapon systems on an expedited schedule.²⁶ USSOCOM expenditures in support of CMNS requirements averaged approximately \$21 million over the last three years.²⁷ Between 2001 and 2007, USSOCOM responded to approximately 50 urgent need requests spending almost \$340 million to support deployed war

²⁴ Senate, *Statement of Lieutenant General Bryan D. Brown, U.S. Army Deputy Commander United States Special Operations Command Before the Senate Committee on Armed Services Subcommittee on Emerging Threats and Capabilities on the State of Special Operations Forces*, 108th Cong., 1st sess., 2003, 16.

²⁵ Government Accountability Office, *Defense Acquisitions: An Analysis of the Special Operations Command’s Management of Weapons System Programs*, GAO 07-620, 7-8.

²⁶ Richardson, *Successes/Lessons Learned*, Slide 8.

²⁷ Richardson, *Successes/Lessons Learned*, Slide 16.

fighters.²⁸ Additionally, as of 2007 USSOCOM utilized DoD's ACTD program to accelerate the fielding of seven capabilities.²⁹ The USSOCOM UDA process and associated CMNS provided the model for the OSD's JRAC process and the JUONS described above.³⁰

USSOCOM uses the Strategic Planning Process (SPP) to drive resourcing, acquisition, sustainment, and modernization decisions. The SPP is a continuous biennial cycle consisting of four phases that produce an integrated-capabilities list to guide the POM. The phases are guidance development, capability assessment, program assessment, and integration/resourcing. The SPP is an inclusive process that includes participation from USSOCOM service component staff, the Theater Special Operations Command, the Office of Assistant Secretary of Defense for Special Operations/Low Intensity Conflict, and the component commanders. The SPP cycle is driven by either actual or projected planning changes or via DoD or USSOCOM direction. It produces a POM with a list of resource-constrained, capability-based programs that lays the foundation for the department's biennial budget development and the annual budget submission.³¹ USSOCOM's FY06 budget contained \$1.9 billion for development and acquisition.³² The SPP maximizes this relatively small budget by integrating the acquisition and resource processes.

USSOCOM centralizes its requirements and resources processes into a single organization providing a means to keep them closely linked. The

²⁸ Government Accountability Office, *Defense Acquisitions: An Analysis of the Special Operations Command's Management of Weapons System Programs*, GAO 07-620, 15.

²⁹ Government Accountability Office, *Defense Acquisitions: An Analysis of the Special Operations Command's Management of Weapons System Programs*, GAO 07-620, 16.

³⁰ Richardson, *Successes/Lessons Learned*, Slide 7.

³¹ Wiatt et al., *Special Operations Forces Posture Statement*, 89-90.

³² Government Accountability Office, *Defense Acquisitions: An Analysis of the Special Operations Command's Management of Weapons System Programs*, GAO 07-620, 7.

command's Center for Requirements and Resources, more commonly known as SORR, conducts resourcing, operational mission analysis, force structure analysis, and strategic assessments for both the command and its customers. The SORR prepares and submits the POM budget proposal to the Secretary of Defense for all forces assigned to USSOCOM. It prioritizes requirements and exercises budget authority, direction, and control for both USSOCOM assigned forces and special operations forces assigned to other COCOMs. Additionally, the SORR ensures the interoperability of special operations equipment.³³ The Special Operations Command Requirements Review Board (SOCREB) is the approval body for USSOCOM's operational requirements. The SOCREB is the cornerstone of the requirements generation and approval process for the command and is the equivalent of each service's requirements oversight council.³⁴

The SOF Capabilities Integration and Development System (CIDS) is the method governing the command's traditional acquisition approach to the requirements process. CIDS is a four-step process consisting of analysis, documentation, staffing and implementation that operates with the SPP. The identification of either an existing deficiency or a new opportunity occurs in the analysis phase. Development of the initial capabilities document, the capability development document, and the capability production document occurs in the

³³ Wiatt et al., *Special Operations Forces Posture Statement*, 104.

³⁴ Defense Acquisition University, *Defense Acquisition Structures and Capabilities Review Report Addendum*, D-14.

documentation step.³⁵ The SOF CIDS process is internal to SOCOM, but it parallels the JCIDS process.³⁶

The separate budget authority that comes through MFP-11 allows USSOCOM to meet expeditiously its war fighter's equipment needs, and to do so in a dynamic, time-sensitive environment. When equipping a new unit, USSOCOM uses MFP-11 funds to procure the special-operations-peculiar material, but for the equipment that it operates in common with one of the services, it relies upon that service to acquire the material under their programmed budget. As an example, the Air Force provides the basic C-130 airframe, and USSOCOM modifies it to meet special operations requirements, turning it into an AC-130 gunship using MFP-11 funds. As a former commander of USSOCOM points out, this indicates a very important coordinating relationship between the COCOM and the services, because when force structure changes within USSOCOM, it can require "the component services [*sic*] to reallocate portions of its budget, give up force structure, or grow more force structure to compensate."³⁷

This coordinating relationship extends into other aspects of acquisition as well. Because of these different budget sources, technical expertise, or platform-specific expertise, SOCOM can transfer different programs within special operations to the services resulting in different Milestone Decision Authorities (MDA) and Program Managers (PM). As of FY06, 52% of USSOCOM MFP-11 acquisition programs had both a SOCOM MDA and a SOCOM PM, 22%

³⁵ Richardson, *Successes/Lessons Learned*, Slide 14.

³⁶ Government Accountability Office, *Defense Acquisitions: An Analysis of the Special Operations Command's Management of Weapons System Programs*, GAO 07-620, 32.

³⁷ Brian D. Brown, "US Special Operations Command: Meeting the Challenges of the 21st Century," *Joint Forces Quarterly* 40, (First Quarter 2006): 40.

had a SOCOM MDA with another military department as the PM, and 26% of USSOCOM's programs had another military department acting as both MDA and PM.³⁸ These relationships sometimes can prove to be difficult to monitor as the CV-22 program illustrates, where significant cost, schedule, and performance problems continue.³⁹ The Air Force is funding the basic aircraft and USSOCOM is funding the modifications, but a Navy contract covers production.

General Wayne A. Downing, former commander of USSOCOM, counted *Programming and Budgeting*, and *Research, Development and Acquisition*, as two of the five factors that have been essential to the success of US special operations forces.⁴⁰ He contends the stability created by having authority over programming and budgeting that includes formulation and execution, is absolutely essential to fielding a flexible combat force. General Downing credits the MFP-11 construct with enabling USSOCOM to enter the 21st century as the world's best-equipped force.⁴¹ Almost a decade later, General Brown, another previous USSOCOM commander agreed with this assessment. During 2003 Congressional testimony, he stated "One of the strengths of the command...was the establishment of a separate Major Force Program (MFP), MFP-11, for SOF along with the requisite acquisition and research, development, test and evaluation (RDT&E) authority."⁴² USSOCOM has a strong reputation for

³⁸ Daum, *Doing Business with USSOCOM*, slide 6.

³⁹ Government Accountability Office, *Defense Acquisitions: An Analysis of the Special Operations Command's Management of Weapons System Programs*, GAO 07-620, 2.

⁴⁰ Wayne A. Downing, "Joint Special Operations: In Peace and War," *Joint Forces Quarterly*, Summer 1995, 23-24.

⁴¹ Downing, "Joint Special Operations," 24.

⁴² Senate, *Statement of Lieutenant General Bryan D. Brown, U.S. Army Deputy Commander United States Special Operations Command Before the Senate Committee on Armed Services Subcommittee on Emerging Threats and Capabilities on the State of Special Operations Forces*, 108th Cong., 1st sess., 2003, 16.

effectiveness within the defense establishment. It is significant that multiple commanders attributed the command's operational success to having acquisition authority.

The strength of SOCOM's acquisition system comes from geographic consolidation, following a centralized approach to requirements, and the fact that it approaches programs collectively with an enterprise-level perspective.⁴³ Another key strength is that SOCOM directly involves the war fighter in determining which systems to pursue.⁴⁴ But, while USSOCOM's acquisition performance is good, it is not perfect. A 2007 GAO study noted, "Fifty-one (about 60 percent) of the 86 acquisition programs SOCOM has undertaken since 2001 have progressed as planned, either staying within original cost and schedule estimates or experiencing cost increases unrelated to progress."⁴⁵ The remainder experienced mostly moderate increases, with a small handful experiencing significant increases. SOCOM cancelled eight of the 35 programs either to fund higher priorities or because of technical-feasibility issues.⁴⁶ Another 22 of the 35 programs that experienced an increase in cost or schedule have either a service program manager, a service MDA, or both.⁴⁷ All of the larger programs fall into this latter category. When USSOCOM cedes both program manager and MDA responsibilities to a service, it places itself at the mercy of numerous external Defense Acquisition System stakeholders that it

⁴³ Government Accountability Office, *Defense Acquisitions: An Analysis of the Special Operations Command's Management of Weapons System Programs*, GAO 07-620, 30-31.

⁴⁴ Government Accountability Office, *Defense Acquisitions: An Analysis of the Special Operations Command's Management of Weapons System Programs*, GAO 07-620, 7-8.

⁴⁵ Government Accountability Office, *Defense Acquisitions: An Analysis of the Special Operations Command's Management of Weapons System Programs*, GAO 07-620, 18.

⁴⁶ Government Accountability Office, *Defense Acquisitions: An Analysis of the Special Operations Command's Management of Weapons System Programs*, GAO 07-620, 20.

⁴⁷ Government Accountability Office, *Defense Acquisitions: An Analysis of the Special Operations Command's Management of Weapons System Programs*, GAO 07-620, 19-20.

otherwise can ignore. Additionally, it oftentimes sacrifices its ability to institute design changes when it merely monitors these programs.⁴⁸

Collaboration with the services is not altogether bad. USSOCOM has leveraged service budgets to its advantage by piggybacking on major weapon system programs. One example is AFSOC's electronic warfare subsystem acquisition for the C-130 variants. The Air Force has incorporated elements of this upgrade into its fleet-wide modernization of the C-130, thereby freeing up those requirements funded by USSOCOM. This allowed SOCOM to divert resources to other priorities in a fiscally constrained budget.⁴⁹

Commenting on the effectiveness of the USSOCOM acquisition system, the GAO stated, "the process has many of the characteristics of an integrated portfolio management framework that GAO recently reported⁵⁰ as lacking at DOD in its department wide approach to weapon system investments."⁵¹ Could it be that the COCOM selected to lead the DoD's war against terror also holds the key to fixing DoD acquisition?

Conclusion

This chapter identified both alternative acquisition processes and a significant alternative organizational structure that currently operate outside of the structure of the core Defense Acquisition System. The rapid acquisition processes exhibit three key attributes. They increase the speed of fielding

⁴⁸ Government Accountability Office, *Defense Acquisitions: An Analysis of the Special Operations Command's Management of Weapons System Programs*, GAO 07-620, 21.

⁴⁹ General Accounting Office, *Special Operations Forces: C-130 Upgrade Plan Could Help Fix Electronic Warfare Deficiencies*, GAO/NSIAD-99-1, 3.

⁵⁰ The report was the GAO's, *Best Practices: An Integrated Portfolio Management Approach to Weapon System Investments Could Improve DOD's Acquisition Outcomes*, GAO-07-388, (Washington, DC, 30 Mar 2007).

⁵¹ Government Accountability Office, *Defense Acquisitions: An Analysis of the Special Operations Command's Management of Weapons System Programs*, GAO 07-620, 30.

required capabilities, they significantly increase the role of the war fighter in the acquisition process, and they represent consolidated, flattened organizations where program managers have responsibility and authority. In some instances, this latter attribute applies to only a portion of the larger acquisition system, such as with WRAP and funding. In all instances however, the focus on expediting their particular function within the larger process holds managers accountable for the outcomes.

The organizational structure of USSOCOM acquisition represents a considerable consolidation of the Defense Acquisition System processes both functionally and geographically. It effectively ties the requirements, resources, and acquisition processes together under a flattened organization with clear lines of authority. The exceptions to this streamlining occur at the seams where USSOCOM is reliant on the services for support in acquiring major weapon systems. Congress created this command because something drastic needed to be done to solve service-related failures in conducting special-operations missions such as Desert One. Congress determined the new command required its own robust acquisition authority to be successful. The success of USSOCOM suggests the other functional combatant commands would benefit from the same structure.

Chapter 4

A Time for Change

Dear God, give us strength to accept with serenity the things that cannot be changed. Give us the courage to change the things that can and should be changed. And give us wisdom to distinguish one from the other.

Admiral Thomas C. Hart

An Alternative

This paper has found the Defense Acquisition System broken and resistant to efforts to reform it. Therefore, it recommends replacing the system with an alternative structure based on the recurring problems identified in multiple studies and numerous calls for sweeping changes. A fundamental tenant of this new structure would be the removal of acquisition authority for major weapon systems from the independent services. Although there are several candidate organizations who could execute this authority, this paper proposes that it should reside with the functional combatant commanders.

While we may not currently fight as fully integrated joint war fighters, the trend within the national military establishment is toward joint operations. Every conflict highlights the need to continue to integrate capabilities and further this trend. The requirements process has gradually moved to a more capabilities-based construct and many studies have called for aligning acquisition processes in this direction as well. The DSB made recommendations regarding cost, schedule and technology decisions to emphasize the acceleration of capabilities to the war fighter. The BG-N study

team recommended expanding the use of capabilities-based rapid acquisition processes.¹ Although this is generally the trend, solutions are frequently derived in the old, domain-based, service construct.

Precedent exists for COCOMs and joint agencies to acquire items for both their own use and in support of other commands. Three of the COCOMs, USSOCOM, United States Transportation Command (USTRANSCOM), and USJFCOM, already have significant acquisition capabilities, as does the Missile Defense Agency.² USSOCOM and USJFCOM capabilities include systems acquisition authority, and USTRANSCOM can contract for commercial transportation.³ USSOCOM serves as a loose example for this suggested restructuring of the Defense Acquisition System. Following the recommendations of the Beyond Goldwater-Nichols study, the DoD consolidated resource and acquisition authority for joint command and control systems into a program office at USJFCOM.⁴ The study justified this recommendation based on the need for interoperability, despite the study's primary theme for the management of acquisition along service lines. If the trend in defense is moving from a service war fighter operating in a joint construct to a truly joint war fighter, then interoperability among systems will only become more important.

To mitigate interoperability problems inherent in the Defense Acquisition System, this paper's recommendation would divide the responsibility for

¹ David Scruggs, et al. *Beyond Goldwater-Nichols (BG-N) Phase III Annotated Brief: Department of Defense Acquisition and Planning, Programming, Budgeting, and Execution System Reform*, (Washington, DC: Center for Strategic and International Studies, August 2006), 10, 30.

² Defense Acquisition University, *Defense Acquisition Structures and Capabilities Review Report*, 2-35.

³ Defense Acquisition University, *Defense Acquisition Structures and Capabilities Review Report*, 2-35.

⁴ Murdock et al., *BG-N Phase 1 Report*, 16.

acquiring capabilities among the four functional combatant commands in a capability-based construct. For example, USTRANSCOM would develop and purchase all transportation and logistics related systems. USSTRATCOM would cover all Intelligence, Surveillance, and Reconnaissance (ISR) systems, as well as cyber, nuclear, and space assets. Conventional combat systems (such as fighter and bomber aircraft, combat ships, and tanks), command and control systems, and communications systems would be developed and purchased by USJFCOM.⁵ Finally, USSOCOM would retain its responsibility for special-operations-unique systems and equipment.

This recommendation would use functional commands instead of the geographic commands for several reasons. The functional commands already operate in a subordinated support mindset, providing shared capabilities to the geographic commands. As supporting commands, they are accountable to their geographic counterparts. The functional combatant commands would be better positioned to have a long-term view of capability needs, allowing the geographic commanders to focus more on the short-term fight. Functional COCOMs already have significant requirements expertise within their functional areas. Additionally, they are better positioned than the individual services to understand the capability-based requirements of the geographic COCOMs.

This recommendation would establish service-supplied acquisition staffs at the headquarters level versus the component level of functional combatant

⁵ USJFCOM was previously US Atlantic Command (USACOM) and was a geographic combatant command. Its name changed in 1999 to USJFCOM. In October 2002, changes to the Unified Command Plan transferred USJFCOM's geographic responsibilities to US Northern Command and US European Command and provided JFCOM with a functional mandate. Defense Link Unified Command Plan website, <http://www.defenselink.mil/specials/unifiedcommand/> and USJFCOM website, <http://www.jfcom.mil/about/History/abthist1.htm> (accessed 4 June 2009).

commands. This would allow the DoD to transfer the acquisition expertise that resides in the services to the COCOMs, bringing them closer to the focus of the operational war fighter that would actually decide to use the systems. Keeping the acquisition programs and staffs out of the COCOM's component organizations would prevent the excessive influence of any one service on a program. Integration of these personnel into a joint environment would increase their ability to identify with interoperability issues and focus their acquisition efforts on capabilities rather than specific platforms.

The DoD would implement these structures in a phased approach. The first step would be to transform the JROC to give primacy to the COCOMs and to consolidate the responsibility for requirements, resources, and acquisition decisions. The next section describes the specific structure of this new board. The next step would be to transition programs to the COCOMs based on functions. Among the COCOMs, USSOCOM would have the easiest transition to this structure since much of it already exists. The primary difference would be that USSOCOM's authority would increase to include full responsibility for major weapon system programs since they would no longer rely on the services. USTRANSCOM would be the second functional combatant command to transition. Like USSOCOM, they have more clearly defined functional responsibilities and a strong relationship with the geographic combatant commanders. USSTRATCOM would likely make the next transition followed lastly by USJFCOM. The largest and most complicated weapons system programs would therefore transfer later, providing time to establish and troubleshoot any problems that may arise with the new structures. Although USJFCOM already manages joint command and control systems, their role as

force provider leaves this command the most susceptible to the influence of its service components.

Removing the responsibility and authority for the acquisition of major weapons systems from the services and placing them in the hands of functional combatant commanders would provide a better organizational construct for supporting the joint war fighter in an environment constrained by limited resources. If the resources available to each of the individual services were unlimited, then many of the impediments previously described would go away. That has yet to occur in the history of the United States, nor will it likely ever occur. Recall that the defense department had to implement significant organizational changes to overcome the parochial attitudes of the individual services, and their service-specific processes for the planning and conduct of military operations, to achieve the jointness sought by Goldwater-Nichols. Although not easy tasks, Congress knew how difficult and challenging these planning and operational changes were going to be, so they instituted specific and coordinated laws and reforms. However, Congress and DoD have not realized that Defense Acquisition System reforms call for the same level of effort and major structural changes.

This paper does not suggest that transferring responsibility for acquisition to a joint organization would automatically solve acquisition problems. However, the longstanding problems with the inefficient Defense Acquisition System identified earlier stem from the core of the structure. When its methods were developed, weapon systems were acquired by those who decided how to employ them in combat. This is no longer the case and the long-term trend is certainly in the direction of capabilities-based joint war

fighting. Restructuring the Defense Acquisition System to consolidate authority over requirements, resources, and acquisition in organizations that are capability-focused, inherently joint, and closer to the geographic COCOMs will untangle the main strands of the web that prevents accountability in the current system.

Orchestrating the Major Sub-processes

As mentioned previously, the proposed changes to the Defense Acquisition System would integrate the requirements, resources, and acquisition processes. It would consist of a board to increase COCOM representation in the validation of joint military needs. This board would be a revised JROC made up with representation from all of the COCOMs, both functional and geographic, at the vice-commander level. The vice chairman of the joint chiefs of staff would chair the board and have the tie-breaking vote. Each of the COCOM members would have an equal vote. Additionally, each of the services would be represented by their vice chiefs and have all of the same responsibilities and authorities as COCOM representatives with the exception that they would be non-voting members. While they would have no direct input into the decision process, the services could raise issues, suggest requirements, make presentations, and advocate for or against capabilities, requirements, and solutions. The COCOMs would make the final decisions however. The board would have three main responsibilities. They would identify capability gaps, define and prioritize requirements, and evaluate proposed solutions. The identified capability gaps would serve to stimulate technology development; the definition and prioritization of requirements would provide a framework for budget allocation, and the evaluation of proposed solutions would lead to the

establishment of acquisition programs. The services' subordinate role in the requirements process would provide the ability to account for important considerations regarding the operation, training, maintenance, and sustainment of weapons systems in each of the board's three main responsibility areas.

Regarding resources, this paper recommends implementing the 2006 DAPA Report's recommendations with respect to modifying the budget process. The report recommended incorporating a Stable Program Funding Account into the PPBES.⁶ The DAPA report defined a Stable Program Funding Account:

as a single account appropriated by the Congress that funds all Acquisition Category I Programs at the beginning of the fiscal year and is managed through a Capital Budgeting Process. Capital Budgeting and execution is the total process of generating, evaluating, selecting and following-up on capital expenditures that are expected to have a significant impact on financial performance. Capital Budgeting means a budget process that identifies large capital outlays that are expected to be made in future years, together with identification of the proposed means to finance those outlays and the expected benefits of those outlays. Major Acquisition Programs would be fully funded at a level that would cover the program from Milestone A through the first delivery of low rate production.⁷

Consistent with the previous recommendation concerning functional COCOM responsibilities, DoD should allocate the funds provided by Congress to the four functional COCOMs rather than the military departments. Congress should allocate these in new major force program categories like that used for USSOCOM. Funding for major weapon systems would be based on the performance of weapon system programs at major milestones, rather than be tied to annual allocations. The combatant commanders would then oversee the management of individual programs and ensure budget stability for their

⁶ Department of Defense, *Defense Acquisition Performance Assessment Report*, 34.

⁷ Department of Defense, *Defense Acquisition Performance Assessment Report*, 34.

functional areas. To provide the appropriate resources for this responsibility, Congress needs to let COCOMs include reserve amounts in their MFPs to maintain the stability and flexibility of programs. The COCOM Senior Acquisition Executives (SAE) would manage these reserve accounts. The DAPA-based proposal is significantly different from the traditional single line item budgeting process. The method proposed here would take considerable budget authority away from the services. They would retain the control of funding however, for R&D of new technologies, for the test and evaluation of systems in development, and for the operation, maintenance, and sustainment of fielded systems.

Regarding the acquisition process, the single greatest change beyond modification of the requirements and resources processes described above, comes from the strengthening of the program manager's authority and responsibility. The complex structure of the current defense acquisition system sets programs up for failure. It is up to the program manager and the rest of the PM's acquisition staff to fight to make the program successful while answering to many different authorities. Under the recommended structure, the PM would answer only to the COCOM SAE and the SAE would report directly to the combatant commander.

DoD would appoint general officer-level civilians (Senior Executive Service) as program managers for the most important acquisition programs in the modified Defense Acquisition System. The intent is to fill the position with a PM who will commit to at least 10 years with the program, at the discretion of the combatant commander. This longevity would provide continuity in leadership for the program and would last ideally from initiation through the

fielding of a fully-capable, operational weapon system. More importantly, this position would provide accountability to the program. During this time, the PMs would be accountable to the commander, through the SAE, for the performance of their programs. This clear, short chain of command would increase accountability by consolidating authority and increasing control. Since there would be a considerable consolidation and control of requirements and resources within these three positions, this structure should reduce biased forecasts and should increase program performance.

As the Defense Management Review noted, “Reliable planning, funding, and system configuration, and continuity in management personnel, greatly increase the likelihood that systems will be delivered on time and at projected costs.”⁸ The reduced chain of command and consolidated authority of the recommended structure would decrease the number of areas requiring oversight. The SAE would be the sole oversight conduit within each functional COCOM responsible for the stewardship of resources. Each SAE would oversee a small organization similar to USSOCOM’s Center for Special Operations Acquisition and Logistics that would ensure the acquisition process remains flexible enough to support war-fighter needs.

Each of the functional COCOMs would develop rapid fielding initiatives similar to those currently operated by the services. The services would discontinue their existing programs. Rapid acquisition processes work because they streamline and accelerate the requirements, budget, and acquisition processes while bringing the ultimate end user into the system-development process. This streamlining of traditional rapid acquisition processes is possible

⁸ The President’s Commission on Defense Management, *A Formula for Action*, 10.

because of the limited scope of the requirements and capabilities identified in the previous chapter. Initiatives like ACTDs employ fairly mature technologies as a foundation. This represents the importance of using research and development to mature technologies before incorporating them into larger weapon system development programs. This new acquisition system will expand the funding thresholds and size of the acquisition programs that can utilize rapid acquisition processes. To achieve these benefits, the DoD must enhance the research and development environment within both the government and the private sector to provide technologies that would enable even larger weapons systems to begin as ACTD-like programs.

The Role of the Services

The services, as the actual operators of the weapons systems, would retain control of two key aspects of the acquisition process. These are research and development (R&D) of new technologies and the responsibility for test and evaluation of the systems selected for acquisition. Additionally, the services would retain responsibility for operational logistics support such as the operation, maintenance, and sustainment of fielded systems.

Controlling R&D programs would allow the services to offer combatant commanders mature technologies to incorporate into the solutions the COCOMs develop to meet the capability requirements they define. Providing mature technology at the beginning of the acquisition process would significantly reduce many of the problems associated with schedule delays, acquisition cycle length, requirements creep, cost overruns, and inaccurate schedule and cost forecasts. This structure would force the services to expend R&D resources on technologies that will truly meet joint war-fighter needs

rather than parochial desires. Otherwise, the services risk the selection of a capability that incorporates technologies developed by another service and the chance that a rival service will operate the system the COCOM acquires. Independent service R&D would provide an environment of inter-service competition where the joint war fighter would ultimately benefit more than a particular service. COCOM-led programs would not solely depend on the services for technology development, since joint R&D agencies, such as DARPA, would continue to perform the same functions. Additionally, DoD should encourage private industry to continue to develop military-unique technologies. It should also explore the military application of technologies developed for the commercial sector.

Service control of the test-and-evaluation portion of the acquisition cycle would ensure the COCOMs adequately incorporate operator concerns and expertise into the new weapon system. This particular design comes with two key risks however. Multiple previous studies have identified a disconnect between the test and acquisition community and the operational community over the acceptability of a given system in meeting war-fighter needs. This resulted in considerable schedule delays to acquisition programs. There is a potential risk with this study's recommendation that service interests could hijack the test-and-evaluation process and impose the same delays. Additionally, there needs to be a considerable emphasis on the conduct of joint testing between the services. While this new system intends the maturing of technologies in the R&D process to be competitive by design, it does not intend so for test and evaluation. The risk is that the test process could become

competitive however, further hampering the efficiency of this new Defense Acquisition System.

The services would also continue to manage their own acquisition workforce under the restructured Defense Acquisition System. The program managers' staffs would consist of both acquisition personnel and operators from multiple services. These individuals would bring service-unique experiences and considerations into the joint environment. These joint program offices would represent the best forum for the actual integration of issues into a joint solution. Each service would still need to maintain an acquisition corps outside of its participation in joint programs, as over half of the procurement dollars spent would be still in service-related areas rather than major-weapon-system development and acquisition. Additionally, after the COCOMs have selected and developed a given weapon system, they will delegate responsibility for sustaining that weapon system once fielded to a particular service. These systems would require acquisition personnel to manage their sustainment programs.

Taking acquisition authority from services and giving it to functional COCOMs will require changing USC Title 10. Briefly, the law should alter the services' responsibilities from organize, train, and equip to either: organize, train, and sustain; or organize, train, and support. While this change would involve transferring significant budget amounts from services to the functional COCOMs, it should not threaten the vitality of the individual services. The services should measure their relevance by the operational utility and success of the forces they provide to the COCOMs rather than by the size of the budgets they control or their control over individual acquisition programs. If the

services fail to adjust, the defense department will face larger problems than merely reforming the Defense Acquisition System.

Summary

This alternative to the current Defense Acquisition System would allow the joint war fighter, in the form of the combatant commander, to make the hard decisions about what tools and particular capabilities will be available for future battlefields. If a capability does not exist when needed, the services will not have failed him. This change would allow the individual services to focus on managing their individual members, on employing their weapon systems, and on developing tactics, techniques, and procedures for those systems.

This alternative would focus on increasing accountability within the Defense Acquisition System by shortening chains of command and empowering program managers. Structurally, it would integrate the requirements, resources, and acquisition processes through the use of a JROC-like board at the department level. It recommends employing an acquisition structure similar to that used by USSOCOM within each of the functional COCOMS. It would incorporate stable-funding accounts through MFPs and allocate funding for major weapons systems based on significant milestone achievements rather than annual budgets. Additionally, it would provide reserve-funding accounts controlled by COCOM SAEs to stabilize programs.

The individual services would still play significant roles in the development and acquisition processes. Indeed, the services would help to shape requirements; would participate in all of the individual programs, as acquisition professionals from all of the services will be working on the COCOM staffs; would develop needed technologies; and would test and evaluate systems

for the COCOMs. This approach would give COCOMs the responsibility, authority, and resources required to integrate combat capabilities of weapon systems and the services. Historically, the services have not integrated weapon systems across service lines well. Placing the acquisition of all major weapon systems within a COCOM-led joint organization would maximize the opportunity of addressing integration concerns and would reduce many of the problematic seams.

Conclusion

Congress and the national military establishment cobbled today's Defense Acquisition System, consisting of separate requirements, resources, and acquisition processes, together from the service-centric methods that existed immediately after World War II. The urgency of the Cold War provided an environment where this structure could solidify over time due to Congress' inattention toward accountability. The pressing need to develop and field systems before the Soviets allowed Congress to tolerate relaxed accountability and an inefficient Defense Acquisition System. DoD has repeatedly attempted to centralize the Defense Acquisition System through the years, but its reforms have never been implemented holistically. While reforms changed the system on the surface, the considerable legislation enacted by Congress merely served to complicate and solidify the core Defense Acquisition System further. Often these reforms did not remove existing rules or regulations, but rather wove a tangled web of complexity. Frequently these reform acts worked against themselves, imposing contradictions that resulted from compromises between the services, DoD, and Congress.

Although the services have not controlled the Defense Acquisition System, they have maintained a position of primacy from the beginning. The services have considerable interests in protecting this power. These parochial interests exacerbated the fragmented nature of a complex Defense Acquisition System that was not designed for either efficiency or effectiveness. As a result, problems have encumbered the system from the beginning, and numerous

studies have attempted to fix these inherent problems. This paper analyzed six of the major studies conducted since the Goldwater-Nichols Act, the last significant reorganization of the national military establishment. Goldwater-Nichols changed things fundamentally and the Defense Acquisition System requires a fundamental overhaul to match its changes. Congressional reforms after that point mainly served to streamline the acquisition system, attempting to untangle the web Congress had previously woven. Many of the studies called for comprehensive and drastic reforms, but Congress and DoD have been reluctant to implement such drastic efforts. These studies have repeatedly identified consistent problems and oftentimes proposed similar recommendations as corrective measures.

The six analyzed studies contain several themes that run throughout. In 1986 the Packard Commission identified a variety of principles for acquisition system design that continue to be valid today. These principles included the need “to create clear, unambiguous command channels, limit reporting requirements, keep staffs small and establish close communication with the end user.”⁹ Other major consistent reform themes included the need to increase COCOM participation across the Defense Acquisition System, particularly in the requirements process; decrease the extent of oversight of program managers; and to stabilize program budgets.

The national military establishment developed alternative structures within the Defense Acquisition System to deal with its problems. Rapid acquisition programs have demonstrated on a small scale the increased

⁹ Clark A. Murdock et al., *Beyond Goldwater-Nichols: U.S. Government and Defense Reform for a New Strategic Era Phase 2 Report*, (Washington, DC: Center for Strategic and International Studies, July 2005), 94.

efficiencies of programs with small staffs, short chains of command, significant involvement of the war fighter in the process, and enhanced authorities invested in their program managers. Another alternative example was Congress' creation of USSOCOM and their deliberate investment of specific acquisition authorities in this joint command. While USSOCOM still relies considerably on the services for the acquisition of major weapon systems, its acquisition programs are generally more successful. If the structure works well for a functional COCOM that requires speed and flexibility, Congress should consider expanding the concept and extend similar responsibilities to the other functional COCOMs.

This study suggests radically changing the structure of the Defense Acquisition System by consolidating its processes under the functional COCOMs. Specifically, these recommendations include transferring acquisition authority from the services to the functional combatant commanders, creating stable funding accounts implemented through major force programs, making budget allocations based on major program milestone achievements, increasing program-manager responsibility and authority, reducing Congressional oversight, and having combatant commanders verify and validate military requirements, rather than the service vice chiefs. This paper's recommended changes to the Defense Acquisition System would give the COCOMs the oversight authority, the responsibility to execute, and the control over resources required to make the acquisition process work.

This paper does not claim to offer the only potential fix to the Defense Acquisition System. Recommended areas for further study include analyzing the acquisition systems used by our closest allies. Great Britain and France for

example, have centralized joint systems used to acquire new capabilities. A comparison of this thesis' recommendations, the current Defense Acquisition System, and the systems utilized by these other countries may provide even greater insight. Finally, an analysis of the benefits of establishing a single defense-wide acquisition organization staffed by a joint acquisition corps separate from the services may prove beneficial.

The myriad of reform initiatives conducted over the years have improved defense acquisition along its fringes. Recently, these initiatives have helped to streamline the complex Defense Acquisition System, but in the end, the system is still just a modified version of its previous self. Many of the major problems remain to this day. The only way to overcome these recurring problems is to introduce revolutionary, sweeping changes to the system's structure. While the system has managed to produce effective combat vehicles in the past, its products tend to be far more costly than initially advertised and delivered years later than initially promised. In short, the current Defense Acquisition System and its processes are nowhere near efficient at developing and fielding military capabilities. As the pace of technological change accelerates and resources continue to become even more constrained, the nation can no longer tolerate this level of inefficiency.

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